

Knysna Municipality



ANNUAL BUDGET 2014/2015 - 2016/2017

Medium Term Revenue and Expenditure Framework (MTREF)



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Glossary

Adjustments Budget - Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations - Money received from Provincial or National Government or other municipalities.

AFS- Annual Financial Statements

Assessment Rates - Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand.

Budget - The financial plan of the Municipality.

Budget Related Policy - Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control policy.

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance.

CRR - Capital Replacement Reserve. A cash reserve set aside for future capital expenditure.

Cash Flow Statement - A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period.

CFO - Chief Financial Officer

DORA - Division of Revenue Act. Annual legislation that shows the total allocations made by National to Provincial and local government.

Equitable Share - A general grant paid to municipalities. It is predominantly targeted to help with free basic services.

EPWP - Expanded Public works Programme.

FFC - Financial and Fiscal Commission.

Fruitless and wasteful expenditure - Expenditure that was made in vain and would have been avoided had reasonable care been exercised.

GIS - Geographic Information System.

GFS - Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities.

GGP - Gross Geographic Product

GRAP - Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP - Integrated Development Plan. The main strategic planning document of the Municipality

ISDF - Integrated Strategic Development Framework - The 20 year framework linking technical, financial and economic planning.

KPI's - Key Performance Indicators. Measures of service output and/or outcome.

MEC - Minister in Executive Committee (Province).

MFMA - The Municipal Finance Management Act - No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF - Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position.

MPAC - Municipal Public Accounts Committee.

MSAC - Municipal Service Accessibility Charge.

The municipal charge levied on the basic government electricity charge for municipal services available to the household.

NERSA - National Electricity Regulator of South Africa.

NT - National Treasury.

NDPG - Neighbourhood Development Framework Grant.

Net Assets - Net assets are the residual interest in the assets of the entity after deducting all its liabilities. This means the net assets of the municipality equates to the "net wealth" of the municipality, after all assets were sold/recovered and all liabilities paid. Transactions which do not meet the definition of Revenue or Expenses, such as increases in values of Property, Plant and Equipment where there is no inflow or outflow of resources are accounted for in Net Assets.

Operating Expenditure - Spending on the day to day expenses of the Municipality such as salaries and wages.

R&M - Repairs and maintenance on property, plant and equipment.

SDBIP - Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Strategic Objectives - The main priorities of the Municipality as set out in the IDP. Budgeted spending must contribute towards the achievement of the strategic objectives.

SCM - Supply Chain Management.

Unauthorised expenditure - Generally, is spending without, or in excess of, an approved budget.

Virement - A transfer of budget.

Virement Policy - The policy that sets out the rules for budget transfers. Virements are normally allowed within a vote. Transfers between votes must be agreed by Council through an Adjustments Budget.

Vote - One of the main segments into which a budget is divided. In Knysna Municipality this means at directorate level.

PART 1 - ANNUAL BUDGET

Section 1 -Mayor's Budget Speech

Annual State of the Town Address - Executive Mayor of Knysna -
Councillor Georlene Wolmarans

Section 2- Budget Related Resolutions

Knysna Municipality

MTREF 2014/15

The resolutions approved by Council with the final adoption of the budget in May will be:

RESOLVED:

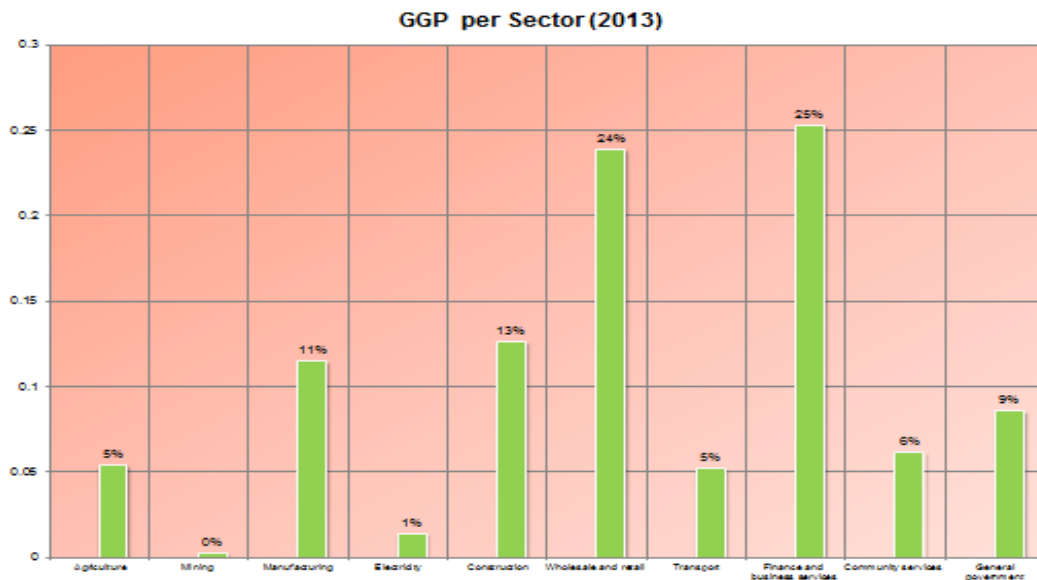
- [a]. That the annual budget of Knysna Municipality for the financial year 2014/2015; and indicative for the two projected years 2015/16 and 2016/17, as set-out in the schedules contained in Section 4, be approved:
 - 1.1 [Table A2](#): Budgeted Financial Performance (expenditure by standard classification R544.100 million)
 - 1.2 [Table A3](#): Budgeted Financial Performance (expenditure by municipal vote R544.100 million)
 - 1.3 [Table A4](#): Budgeted Financial Performance (revenue by source R576.250 million including capital transfers and contributions)
 - 1.4 [Table A5](#): Budgeted Capital Expenditure for both multi-year and single year by vote, standard classification and funding (R67.601 million)
- [b]. That property rates reflected in Annexure 3 of the MTREF and any other municipal tax reflected in Annexure 3 of the MTREF are imposed for the budget year 2014/2015.
- [c]. That tariffs and charges reflected in Annexure 3 of the MTREF are approved for the budget year 2014/2015.
- [d]. That Council notes the amended Integrated Development Plan adopted on 30 May 2014.
- [e]. That the measurable performance objectives reflected in Section 7 of the MTREF are approved for the budget year 2014/2015.

- [f]. That the amended policies for credit control, debt collection and indigents as summarised in Section 8 (and detailed in Annexure 5 of the MTREF) re approved for the budget year 2014/2015.
- [g]. That the other new and/or amended budget related policies summarised in Section 8 (and detailed in Annexure 6 of the MTREF) are approved for the budget year 2014/2015.
- [h]. That the Draft Service Delivery and Budget Implementation Plan (as detailed in Annexure 7) be noted for the budget year 2014/2015.
- [i]. That the Accounting Officer be delegated to adjust the Accounting- and Asset Management Policies in accordance with the requirements of Generally Recognised Accounting Practice standards whenever necessary.

Section 3 - Executive Summary

Introduction

The budget for the financial year 2014/15 occurs at a critical point in the current National and local economic cycle. At a national level the economy of the country is under stress with exchange rates at their weakest since 2007, with inflation under pressure and with low productivity and costs wage high. Paradoxically the economy of the Knysna municipal area may have already reached its turning point and there is the distinct possibility that the local economy is now on a positive albeit very slow growth trajectory. The reason for this is because the Knysna economy remains fundamentally a tourist and lifestyle based economy and the national woes are therefore not necessarily replicated in this area.



According to the latest GDP figures, shown above, tourism and financial services contribute 49% of local GDP. The latest consensus from all roleplayers in Knysna is that this latest holiday period was one of the best in living memory. The collapsing rand meant that South African citizens holidayed and spent their money locally. Conversely overseas visitors are attracted because of the cheapness of the rand, and to Knysna in particular because of good marketing. In this regard the impact of the World Cup in 2010 and the fact that Knysna successfully hosted two European countries cannot be over-emphasised.

The Manufacturing and Construction sectors, taken together, only account for 24% of GDP. Clearly therefore the municipal economy has major long term economic, and consequently financial, challenges which are exacerbated by the requirement of national government that municipal spending should be concentrated on basic services which have a very limited return on investment potential.

The company Global Credit Ratings in a recent study for SALGA and the Western Cape Provincial Government (WCPG) stated

“Persistent municipal tax hikes and record-high fuel prices have placed increasing pressure on consumer affordability and resulted in local municipalities being under immense pressure to collect from their outstanding debtors.

“Municipal service delivery depends to a large extent on the strength of municipalities' broader economic environment. The severe pressures on the South African economy are in some instances translating into major cash flow and operational challenges for local municipalities.

“This is likely to impact on the ability to deliver basic services and fund new infrastructure in the near future. Put simply local residents will experience above inflation increases as service levels and standards slowly diminish”.

Hence Local Government is not an independent island when it comes to how and what it provides. It is therefore very pertinent to include the following section from the Municipal Budget Circular for 2014/15 issued by National Treasury:

“Municipalities should focus on maximizing job creation by:

- *Ensuring that service delivery and capital projects use labour intensive methods wherever appropriate;*
- *Ensuring that service providers use labour intensive approaches;*
- *Supporting labour intensive LED projects;*
- *Participating fully in the Expanded Public Works Programme; and*
- *Implementing internship programmes to provide young people with on-the-job training.*

Municipalities must act as catalysts for economic growth through creating an enabling environment for investment and other activities that foster job creation. It is important for municipalities to pay particular attention to:

- *Joint planning by a municipality, its community and business sectors. This means that all economic forces in the local situation have to be brought on board to identify resources, understand needs and work out plans to find the best ways of making the local economy fully functional, investor friendly and competitively productive;*

- *Ensuring the timely delivery of their capital programmes and to review all by-laws and development approval processes with a view to removing any regulatory bottlenecks to investment and job creation; and*
- *Act as a catalyst for local economic development by appropriately structuring capital programmes to address backlog eradication, asset renewal and development of new infrastructure; this will require carefully formulating the funding mix to include grants, borrowing and own funding (internally generated funding).*

Securing inclusive growth through investing in strategic infrastructure programme such as electricity generation.

Implementing the National Development Plan through expanding electricity, transport, communications capacity and promoting industrial competitiveness. Municipalities need to support special economic zones, broadening rural development and strengthening public service delivery while combating waste and corruption.

Building and efficient developmental state through increasing the levels of delivery by ensuring improvements to policy formulation, procurement, management systems, developing mechanisms for sharing skilled personnel in critical delivery areas and minimising waste.

Furthermore the NDP recognises capable municipalities as the core of a capable state. National Treasury will continue to closely monitor and engage - and if need be intervene - in those municipalities that fail to live up to the standards of public service established in the Constitution.

In supporting municipalities over the MTREF period, a strong focus on economic development is proposed by:

- *Ensuring that value for money and long term impact/sustainability are key considerations;*
- *Having an economic development/growth support strategy in place, not just as an end in itself, but rather as an opportunity to understand and respond to the underlying economic dynamics, networks and systems of interactions of a much wider range of stakeholders that shape the economic fabric of each locality;*
- *Pursue initiatives that;*
 - *Stimulate growth required to create jobs and to reduce poverty;*
 - *Provide a competitive local business environment;*

- *Encourage and supporting networking and collaboration between businesses and public/private and community partnerships;*
- *Facilitate workforce development and education;*
- *Focus on inward investment to support cluster growth; and*
- *Support quality of life improvements.*

Considering that public expenditure growth has remained well within the limits set by government over the past two years, further efforts to find savings eliminate waste and reprioritise spending toward key social and development objectives must be pursued by all government spheres.

The notion of 'doing more with less' can further be supported by municipal approaches that ensure:

- *Spatial strategies align public spending and unlock public and private investment;*
- *Focus on catalytic interventions that also promote inclusion and desegregation; and*
- *Provide clear signals to private sector”.*

Put simply we must improve our planning and expand labour as far as possible.

Background

The new budget for Knysna Municipality amounts to some R611.7 million in 2014/15, being R67.6 million for capital and R544.1 million for operating.

Table 1 Consolidated overview of the 2014/15 MTREF				
R '000'	Adjusted Budget 2013/14	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Total Operating Revenue	521 593	536 801	596 550	646 642
Total Operating Expenditure	521 240	544 100	587 837	615 578
Surplus/ (Deficit) for the year	353	(7 298)	8 713	31 064
Total Capital Expenditure	84 932	67 601	68 300	59 784

The 2013/14 MTREF discussed the necessity for long-term planning for Knysna over the next 20 years. Council had taken the decision to begin a new long term planning process by means of a very exhaustive and inclusive Integrated Spatial Development Framework (ISDF). The ISDF takes

on a far longer horizon than 5 year Integrated Development Plans (IDP) and already this integrated approach is having benefit as to how Council looks at which capital projects are appropriate going forward. It is entirely in line with the National Treasury dictates mentioned above.

The Knysna Municipality is an extremely well-run municipality that fights well above its financial weight. To emphasise this, the municipality achieved what is commonly known as a clean audit from the Auditor-General.

A clean audit means that the financial and managerial operations of the municipality are honest, open, and transparent. Very few municipalities have this accolade and the private sector is not audited at their extreme levels. In fact a “clean audit” is a misnomer. A clean audit is an indicator which clearly reflects the ethos of the councillors, senior management and the organisation as a whole.

The development of a longer term financial plan in 2009 resulted in Council slowly beginning to generate surplus cash for the municipal reserves for future growth. Council continues to monitor opportunities to arrange 3 year borrowings provided market conditions are favourable, however it should be pointed out that the lending institutions are being very slow in regard to loans longer than 10 years. There are also proposals emanating from SALGA and provincial government to “pool” and ring-fence borrowings for capital maintenance. The proposals look good on paper but in reality there are many hurdles, both technical and academic, to cross before this proposal moves forward meaningfully.

As is stated every year and evidenced below, Knysna, from a financial perspective, is a municipality that remains heavily geared, i.e. borrowed, and heavily dependent upon its domestic sector. Knysna was, is and shall remain for the foreseeable future a residential municipality. Approximately 80% of Council revenue, excluding governmental transfers, comes from the domestic residential sector. There is little scope for cross-subsidisation from the business sector in relief of the domestic account, and therefore increases in tariffs impact directly upon domestic consumers in the first instance.



To put it in terms of hard figures, Knysna has 19 178 ratepaying properties of which only 173 are classified as industrial, 1 020 are businesses and 350 are businesses directly related to tourism. Clearly Knysna is a domestic based municipality.

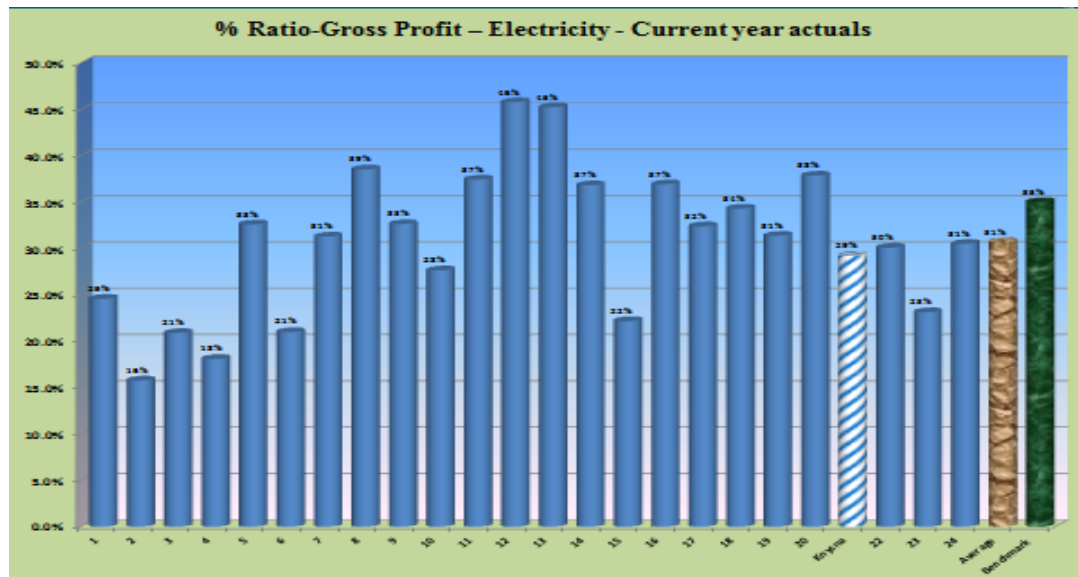
Knysna is regarded as one of South Africa's premier holiday destinations. Obviously this places us at the forefront of the national psyche however the downside is that Knysna as a municipality must maintain 12 month facilities and standards on an economy that ultimately is only six months in nature.

Knysna must fund itself and provide services as if it were a twelve month economy whilst only operating on at best six month economic levels. There is a clear mis-match between overall need and the demand for services which can only manifest in increased municipal tariffs.

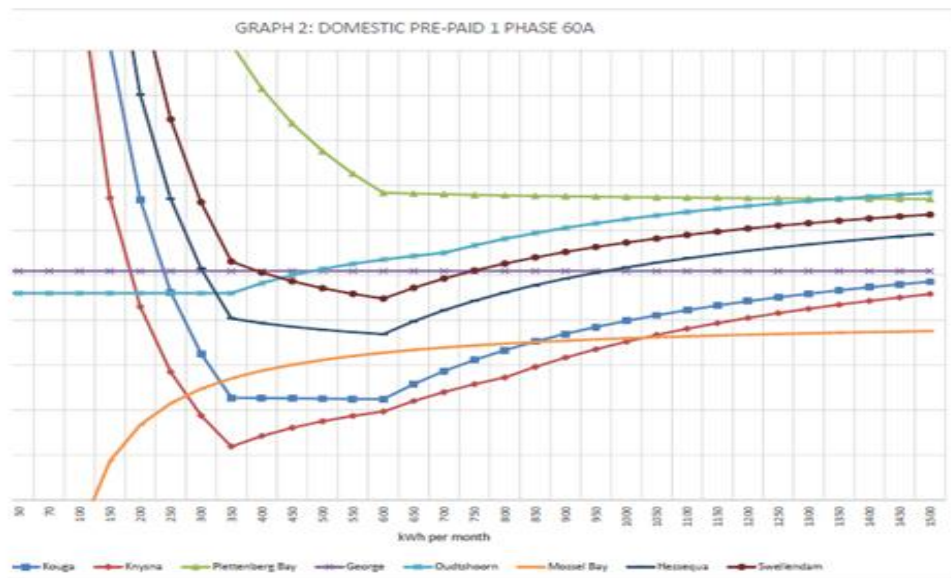
The table below indicates the projected revenues of the municipality for the MTREF period under review.

Description R thousand	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source										
Property rates	116 791	125 364	139 970	152 574	146 574	146 574	146 574	159 457	167 021	177 042
Property rates - penalties & collection charges	2 019	2 356	2 487	2 608	2 608	2 608	2 608	2 804	2 972	3 150
Service charges - electricity revenue	138 946	160 116	172 199	182 411	180 911	180 911	180 911	193 213	206 352	220 384
Service charges - water revenue	37 925	40 656	43 078	45 492	45 492	45 492	45 492	48 904	51 838	54 948
Service charges - sanitation revenue	9 121	9 632	10 232	10 619	10 619	10 619	10 619	11 469	12 157	12 886
Service charges - refuse revenue	12 715	13 179	13 459	14 281	14 281	14 281	14 281	15 352	16 274	17 250
Service charges - other	3 310	2 966	2 334	3 393	3 393	3 393	3 393	3 648	3 867	4 099
Rental of facilities and equipment	4 069	3 500	3 545	4 745	4 745	4 745	4 745	5 030	5 331	5 651
Interest earned - external investments	5 915	6 667	6 589	8 309	7 809	7 809	7 809	2 346	3 251	7 061
Interest earned - outstanding debtors	3 873	4 551	3 237	3 192	3 192	3 192	3 192	3 250	3 413	3 582
Dividends received	-	-	-	-	-	-	-	-	-	-
Fines	2 338	7 677	13 964	11 369	11 369	11 369	11 369	15 111	15 867	16 659
Licences and permits	1 719	1 843	1 674	1 902	1 902	1 902	1 902	1 998	2 097	2 202
Agency services	1 716	1 774	1 809	1 700	1 700	1 700	1 700	1 800	1 890	1 985
Transfers recognised - operational	62 943	89 231	83 819	81 877	83 347	83 347	83 347	68 879	100 612	116 249
Other revenue	54 946	37 889	8 455	3 449	3 449	3 449	3 449	3 291	3 309	3 142
Gains on disposal of PPE	1 541	43	2 816	200	200	200	200	250	300	350
Total Revenue (excluding capital transfers and contributions)	459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Surplus/(Deficit)										
Transfers recognised - capital	57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Contributions recognised - capital	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Contributed assets	-	777	695	3 717	3 717	3 717	3 717	-	-	-
Surplus/(Deficit) after capital transfers & contributions	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869

Electricity revenues continue to dwarf all other tariff revenues. There is a belief in some sectors that Knysna's electricity tariffs are very high. The table below which measures the gross profit ratio generated by the municipality based on the most recent financials of the B class Municipality's in the Western Cape indicates that Knysna's tariffs are very much in line.



Additionally, for a normal consumer, Knysna's tariffs are very much in line with our neighbours. The perception that Knysna has higher tariffs than other authority's is simply contrary to fact.



The graph above is replicated across almost all types of tariff both domestic and non-domestic.

The Equitable Share and Revenue Stresses

It is almost becoming a tradition in the Knysna Municipality MTREF to raise concerns about the financing of local government in general and the amount of our Equitable Share in particular. The municipality has gone so far as to say that “the financing of local government is archaic and totally unsuitable for the 21st century”. In a presentation given recently to an audience that included senior officials of National and Provincial Treasury by the Knysna CFO the point was made again of the inadequacy of municipal revenue and the nonsensical approach of national and provincial bureaucrats that municipal service charges must be cost reflective, and as such recoverable, directly via that tariff. It seems there is a blind spot or complete lack of understanding as to the geographical and topographical environment that pertains to Knysna. It is simply ludicrous for a municipality, where the only place it can put its refuse is legislated as being over 100km away; where the topography of the area necessitates more pump stations for water and sewerage than municipalities twice our size; and where we can have minimal economies of scale to have cost reflective tariffs which are comparable to other municipalities.

The cities are now suffering the same experiences that the smaller municipalities such as Knysna have been aware of and commenting upon for years. The whole governmental powers and functions system and by extension the financing system is fundamentally flawed.

The Chief Executive of the SA Major Cities Network stated last year:

“that services in cities were becoming increasingly unaffordable. More people are moving to the cities, increasing the demand for service delivery. Meanwhile, household debt is rising. If the situation continues like this, cities would degenerate into “centres of poverty”, because municipalities receive too little money from the government and were therefore obliged to find alternative sources of revenue but would not survive without more help from national treasury”. He concluded by saying that the services offered by local government were becoming unaffordable”.

It would be wonderful to say that National Treasury has heeded our call. However, whilst the increased Equitable Share in this new budget and the outer years is welcomed, the reasons for the increase are because we are situated on the N2 migration route from the Eastern Cape to Cape Town and not because of our concerns.

The table below shows the equitable share allocation to Knysna per capita. A revised formula is now in place that will allow for a continuing increased allocation from the national fiscus from R19.3 million in 2009/10 to R44.8 million in the forthcoming financial year and rising to R55.9 million and R62.1 million over the outer years of the MTREF period.

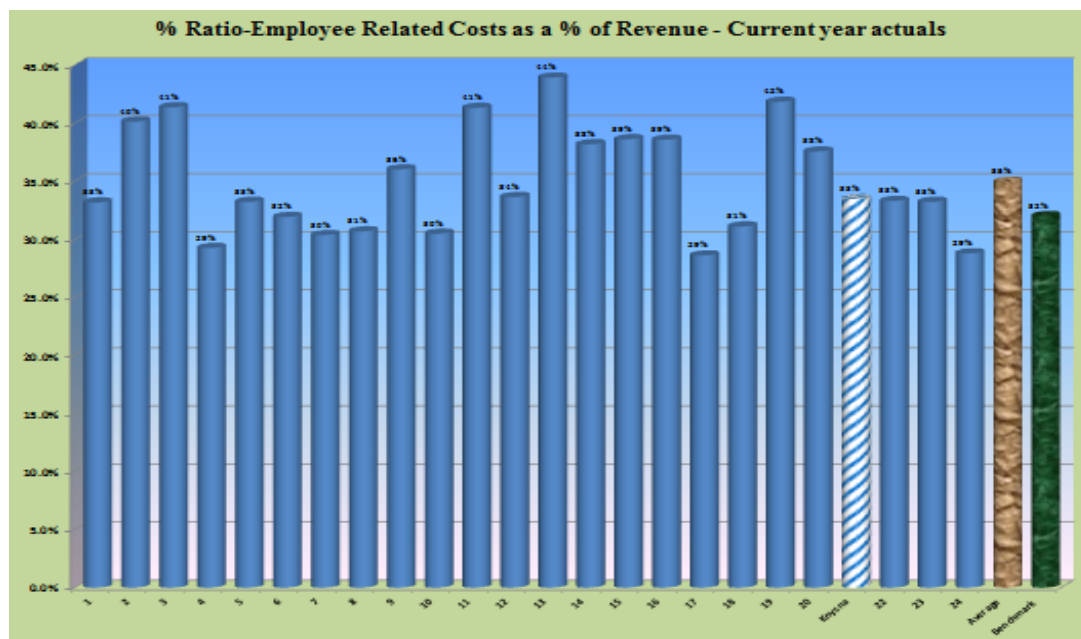


From 1 July 2014 amendments have been approved to both the Funding and Reserves Policy and the Budget Policy whereby forty percent of the increased equitable share over a normal CPI adjustment will be allocated directly to repairs and maintenance (R2.5m) and forty percent to the Capital Replacement Reserve (CRR) for future infrastructure. The balance (R1.25m) will go to the revenue account. Also from 1 July 2014, Directorates will be prohibited from transferring moneys from repairs and

maintenance votes and regulated costs (fuel) to any other expenditure items or votes.

The process of Council staff restructuring was begun in January 2014. As a result a four month freeze will be mandatory on all vacancies occurring after 1 July 2014. This is in line with National Treasury's request to "share personnel" and will allow Council to examine its structure afresh each and every time a vacancy occurs.

The graph below highlights that the staff costs of the Knysna municipality are not out of line compared to the rest of the Western Cape B classified local authorities. Again this appears to be at odds with local opinion.



The approved NERSA increase is 8.06% for bulk electricity purchased from ESKOM. The proposed approved NERSA guideline tariff is 7.39%. Unfortunately this is an increase which is uncomfortably above the CPI rate of 5.6%. Additionally the National Treasury has indicated that municipalities must budget for an increase in salaries and wages of 6.8% for the 2014/15 financial year. Unfortunately this figure excludes the effect of medical aid and other staff cost which will push this figure closer to a 7.5% increase in staff costs. As a "rule of thumb", a 7.5% increase in staff costs means an 8.5% increase in assessment rates merely to stand still. Council cannot simply manage its staff costs by dismissing staff it can only implement "freeze" policies and the value of those are minimal unless accompanied by meaningful long term restructuring.

Debtors Write-Off

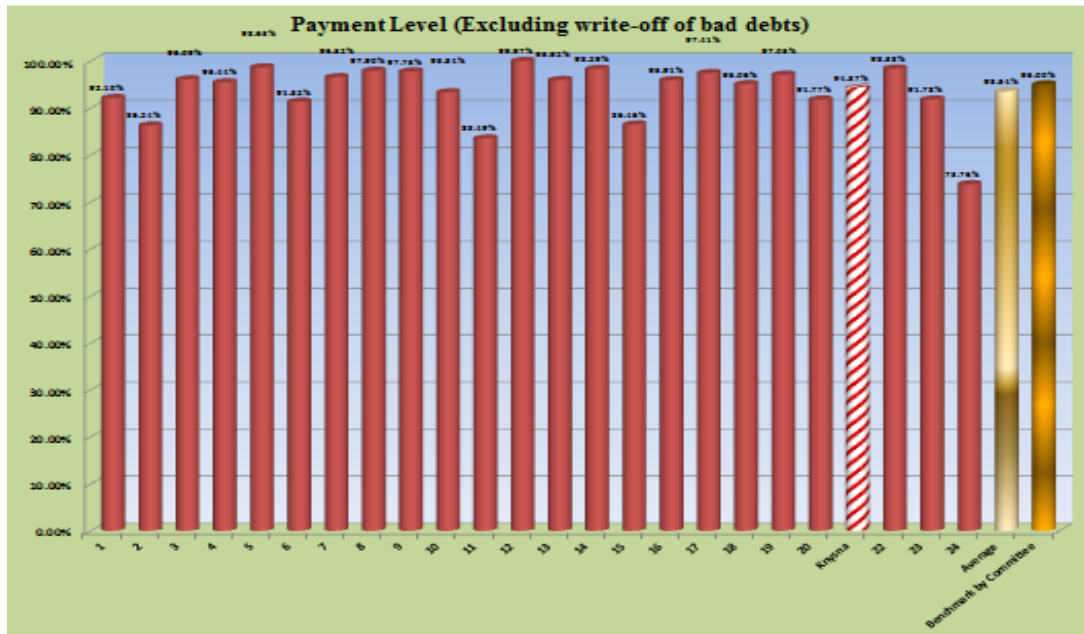
As mentioned in the previous MTREF, Council took the very far-reaching decision to write-off some R35 million of consumer service debt. This excluded assessment rates.

As a corollary, prepaid electricity meters have started to be introduced to properties in the Knysna municipal area. In time there will also be a shift to future arrears being loaded onto a customer's prepaid electricity system to ensure customers pay for all municipal services up-front rather than the current arrears method. The largest growth in debtors remains in water, sewerage and refuse i.e. in these services where there is no or limited direct credit control remedies. National legislation and legal judgements mean that Councils may cut electricity for non-payment of municipal services. This will now be extended throughout. Council will also be re-examining the present externally focussed debt collection function with a view to strengthening its 'in-house' capacity if appropriate and financially efficient.

The Municipal Service Accessibility Charge (MSAC) will now be levied via the prepaid electricity system.

The charge was to be introduced from 1 January 2014 at R30 per month however the database required to implement it needed to be comprehensive enough to manage the introduction. Some 9000 properties, both formal and informal, have been identified with the prepaid electricity meters needed to handle the system.

Where residents are formally registered as indigent and have completed the requisite Municipal forms, have affidavits and have had their residential status and service levels inspected and confirmed by municipal staff, then the MSAC will be waived.



Knysna's payment levels remain on a par with the rest of the Western Cape and this budget is again premised on a 94% level.

Auditor-General

To quote from the MTREF of 2013/14:

“Knysna Municipality has now attained five unqualified audit reports five years in a row. We have not yet achieved a “clean” audit. It is interesting that the term “clean” only exists in governmental circles. It does not exist in private practice. It is also interesting that some “clean” audit municipality’s are actually in financial distress. Having an unqualified audit rather than a “clean” audit has had absolutely no effect on the financial stability or performance of this Council.

Notwithstanding this, Knysna Municipality has embraced the concept of “clean” governance and we will endeavour to attain a clean audit at our own pace by the end of the 2013/14 financial year”.

It is with immense pride that it can be reported that the “clean” audit was achieved twelve months ahead of schedule. The drive determination and application cannot be over emphasised in this regard, and this together with the dedication of senior staff was harnessed together, and then imparted down to the rest of the staff.

As was pointed out by the CFO at the Municipal Public Accounts Committee (MPAC), compliance and clean audits require competent and quality staff at middle management. The Finance Directorate requires staff who are IT and financially multi-skilled. This has also been highlighted by Provincial Government in its most recent MGRO report when it awarded its lowest mark, in what was overall an excellent report as far as the municipality is

concerned, to the capacitation of the Budget and Treasury Office, i.e. the Finance Directorate. Quality and competency not quantity and a review of the whole TASK grading structure is now urgently required both within Finance and the Technical Directrates and this needs to work in tandem with the current restructuring process.

Budget Summary

Most of the basic information surrounding this year's budget is set out in 'Table A1:Budget Summary' shown in Section 4 of this document.

The anticipated final outcome of the current 2013/14 budget is that Council will end with a surplus after all transfers of R47.3 million. This compares to the original budgeted figure of R42.2 million.

The operational budget for 2014/15 projects R536.8 million operating revenue, R544.1 million operating expenditure, R39.4 million capital transfers and a surplus of R32.2 million. Capital expenditure is budgeted at R67.6 million.

The capital expenditure emphasis remains on electricity, water and sewerage infrastructure. Of the R21.3 million allocated for MIG projects in 2014/15, R3.9 million is earmarked for the Multi-Purpose Centres in Rheenendal and Smutsville and R1.8 million has been earmarked for labour intensive sidewalk and pavement projects.

A number of Local Economic Development (LED) measures have been implemented. The most successful has been the drive and emphasis by the Supply Chain department to fully implement Council's Supply Chain policy to target local contractors for Council business and paying an acceptable premium to use them. By the end of this financial year it is estimated that the local portion of Council's discretionary spend will have risen over the last two years by 31% from R110 million to R144 million. The HDI portion unfortunately has not grown at the same level with only an anticipated 20% growth from R40 million to R48 million which has much to do with the fact that the growth areas for HDI involvement remains at the less specialised level. However Council is currently examining its procurement targets in conjunction with its procurement strategy to increase HDI spend. Additionally Council has recently approved an initiative to market local traders over the holiday periods.

It should be noted that the incentives offered by Council aimed at subsidising, delaying or even waiving development contributions, depending upon the type and locality of the development, as well as the rebate to attract new business by means of a rates holiday have as yet not been successful.

Financial position and MTREF strategy

The financial position of Knysna Municipality is set out in 'Table A6: Budgeted Financial Position'. It is projected that Council at the end of the 2014/15 financial year will close with an accumulated surplus of some R709.6 million. The reality of course is that this figure ultimately includes the value of our property, plant and equipment much of which are community assets and cannot easily be turned into cash. You cannot sell a road or a cemetery at the values placed on them. The only realistic figures to look at are those contained in 'Table A8: Cash backed reserves/accumulated surplus reconciliation' and specifically the surplus or shortfall figure. That shows the increased reserves requiring cash backing now stand at R37.7 million leaving a surplus figure of only R12.4 million. Prioritising forward, this surplus is only moving sideways. Some may want the surplus figure to be much higher but Knysna has always taken the position that our assets should be in the ground working for the community rather than in the bank providing no service delivery.

Cash Flow

For a number of years ratios have shown that Knysna is one of the highest geared municipality's in South Africa.

This means that at budget time Council has to take very hard decisions.

As stated previously the budget for the 2014/15 financial year for Knysna municipality is premised on a 94% payment level. This is based on the same levels as the current budget and is nearly two percentage points below the actual January 2014 level. There is still virtually no growth in new middle income or more up-market housing development within the municipal area which, regardless of the type of economist one is, is still a major growth indicator.

Capital Budget

The capital budget for 2014/15 will total R67.6 million of which R39.5 million is funded from national and provincial grants and R28.1 million from internally generated funds and borrowings, which includes R4.3 million of unspent borrowings.

R2.4 million has been placed on the budget for solid waste projects and R5.9 million for Community Services projects including the multipurpose centres in Rheenendal and Smutsville, R13.3 million for electricity, R3.2 million and R3.0 million for roads and sewer projects respectively, R18.6 million for water projects and R18 million for housing.

Additionally an amount of R2,5 million rising to R20 million in 2015/16 and R21,6 million in 2016/17 has been gazetted in the Division of Revenue Bill for the Bitou Municipality in respect of Bitou as a Water Services Authority (WSA). The benefitting municipality's in this regard are Knysna/Bitou as

this is a joint project between the two. Council has already approved the project and a status quo report recently been submitted to Council.

The ward project system in conjunction with Councillors and Ward committees will be repeated for the third year. However for 2014/15 the capital projects in wards will be reduced to R100 000 per ward. National Treasury insists that all significant projects must be identified and specified in the budget if they are of a capital nature. The final projects and programmes will be included in the approved municipal budget and performance against the budget will be reviewed monthly.

National Treasury rules are that a minimum of 40% of the capital budget should be for renewal as opposed to new infrastructure. The budget for 2014/15 details renewal expenditure of 29.3% (R19.8 million) of total capital expenditure. However many of the projects linked to the housing programme form part of new assets and are funded from government grants and many of the remaining 'new' projects are continuations or on-going projects in their second or third phases of construction.

Knysna contributes its full 20% contribution on top of the National Municipal Infrastructure Grant (MIG)

Operating Expenditure

MFMA Circular No. 70 requires that a municipality must justify in its budget narrative all increases in excess of the 6.0% per cent upper boundary of the South African Reserve Bank.

The justification in respect of Knysna is covered in each tariff.

Tariff Implications of the Annual Budget

It is recommended that because of the continuing stresses being placed on the commercial and industrial sections of the economy, that no differentiation in rate and tariff increases be made between domestic and non-domestic sectors in this budget until there is a noticeable and positive shift in economic trading conditions. However, the position regarding the tourism sector will be monitored closely in the next financial year and a review of the tariffs etc., for tourism related 'businesses' will be made in conjunction with the 2015/16 budget.

Electricity Tariff

The National Electricity Regulator (NERSA) has approved an increase in the bulk tariff from Eskom of 8.06%. National Treasury in MFMA Circular No. 70 advises local government "to structure their 2014/15 electricity tariffs increases based on the approved 7,39% NERSA guideline tariff increase"

Knysna has budgeted for revenue on the basis of the full tariff increase but the individual tariff increases may differ.

Municipal Services Accessibility Charge (MSAC)

The MSAC will be introduced as a monthly charge on the government electrification scheme, ie the 20 Amp prepaid system. This is in the areas that have no or limited billing for any rates and services other than electricity. The initial charge will be R30 per month from 1 July 2014. It will be extended to the higher amperage system as soon as possible.

Water Tariff

The water tariff increases will be 7% across the board.

2.5% of the increased tariff will again be allocated to the Capital Replacement Reserve (CRR) for water. National Treasury has decreed that all CRRs must be cash-backed and the anticipated costs associated with the water service, means that monies must be set aside now to mitigate future costs of the various water projects required as a result of the increased population settling within the municipal area. The CRR will also be augmented by the portion of the increased equitable Share as approved in the 2013/14 budget.

Sewerage Tariff

The sewerage tariffs will increase by 8%. As per last year's budget, 4% of the increased, revenue will be channelled to the CRR for the projected further up-grading/replacement of the wastewater treatment works next to the Knysna Estuary beginning in 2018.

Refuse Tariff

The refuse tariff will be increased by 8% for both domestic and business consumers. It should be remembered that 50% of the refuse charge for domestic consumers is already contained in the assessment rate payable.

The reason for this increase is twofold. Firstly Knysna may only use the regional landfill beyond Mossel Bay. In 2015 a new site managed by the Eden District Municipality will be opened. This will result in increased municipal dumping costs. Secondly, the fuel cost involved in the dumping process has obviously increased. This is a classic case whereby Knysna residents are forced to pay charges based on location and are above the norm of others. The three main cost drivers of the refuse service are salaries, fuel and dumping fees. The only ways of significantly reducing costs in this service are via a major review of the technical and service methodologies, however it should be noted that new technologies in

respect of refuse have not yet been proven to save significant money and are generally extremely costly to implement.

Eden District Municipality is presently in the stages of examining proposals to develop composting centres throughout the District, Knysna Municipality is not budgeting for this at present until such time as the investigation with National Treasury is complete. The current projected operating cost increase is R2,6 million per annum.

Minor Tariffs

Minor tariffs will be increased by 7.5% on average unless specifically shown in the tariff book.

Availability Charges-Vacant land

Availability charges will be increased by 4% in 2014-15 and 2015-16. This was agreed in the MTREF for 2013/14.

Augmentations

The water and sewerage augmentation charges will be increased by 7,5% for next year and the innovations introduced in the 2012/13 budget remain in place to encourage development. The electricity augmentation is formula driven and subject to NERSA approvals.

A review of augmentations is also being looked at in line with the Integrated Strategic Development Framework and discussions are taking place internally to utilise land use management tools and systems to encourage densification. Augmentation charges, it appears, will be subject to National/Provincial “advice” in future years.

An example of such a tool is the Lower Central Enhancement Study, which advocates the intensification of land uses in the Lower Central Area of Knysna Town. This document is currently being used as a guideline policy document in the adjudication of development applications in that area. The full scale implementation of the policy is dependent on the detailed assessment of potential traffic and parking impacts.

After assessments are completed, and after the mitigation of any negative impacts, an “overlay zone” may be introduced permitting increased bulk on the affected properties. Associated with any increased property rights will be the requirement to pay a Densification Levy for those rights. This levy would normally be payable at the time of utilisation of the rights, however in order to raise funds to address infrastructural and aesthetic issues in the Lower Central Area, property owners will be incentivised, through a discount scheme, to pay in advance for the augmented property rights.

Assessment Rates

The increase in the rate in the rand will be 7.5% for both domestic properties and for non-domestic properties.

Assessment Rate Rebates

Rebates currently applied to domestic owners will remain at their current level of 15%. It remains the intention of Council to completely phase out the domestic rebate in forthcoming budgets.

The current Rural Rebate of 25% will be reduced further to 20% as was approved last year. This rebate will also be phased out. Assessment rates are a tax on property value. They are not for services rendered or not rendered by a municipality. There is therefore no justification in maintaining a two tier rebate system indefinitely. The number of properties affected by the change are 526.

The current pensioner rebates will again remain the same as present. They were significantly increased in recent years and the top level is well above the nationally approved norm.

No changes are proposed to the Heritage Rebate, the New Business Rebate or the Green Rebate. The proposed Biodiversity rebate, which will replace the Green Rebate in future years, will not be introduced at this time.

The National, Provincial and District Context

The Municipality's budget must always be seen within the context of the policies and financial priorities of National and Provincial government. All spheres of Government are partners in meeting the service delivery challenges we face in Knysna and the municipality cannot meet these challenges alone. South Africa has achieved considerable success in reaching the current level of macroeconomic stability notwithstanding the current world economic situation, but our own local economy is still plagued with high levels of unemployment and poverty.

The following table shows the allocations to Knysna Municipality as set out in the National Division of Revenue Bill for 2014 in the MTREF period;

National Government

Allocations 2014/15 - 2016/17			
	Medium Term Estimates		
	2014/15 Allocation (R'000)	2015/16 Allocation (R'000)	2016/17 Allocation (R'000)
Total Allocation	73 840	85 829	93 261
Equitable share	44 808	55 858	62 098
Infrastructure	26 648	27 504	28 445
Capacity building and restructuring	2 384	2 467	2 718

Provincial Government

Allocations 2014/15 - 2016/17			
	Medium Term Estimates		
	2014/15 Allocation (R'000)	2015/16 Allocation (R'000)	2016/17 Allocation (R'000)
<i>Total Provincial Transfers to Knysna</i>	<i>34 488</i>	<i>51 184</i>	<i>56 793</i>

Although the above table only looks towards the outer year MTREF the original budget figures for 2013/14 compared to 2014/15 are of concern. The 2014/15 Provincial figure of R34.9 million compare poorly with the 2013/14 original indication of R56.3 million provided this time last year. The 2014/15 National allocation of R74.9 million compares to the 2013/14 budget of R68.4 million.

Section 4 - Annual Budget Tables

The intention of this Section is two-fold.

Firstly, the following tables form the basis of the Council resolution approving the annual budget for 2014/2015:

- Table A2: Budgeted Financial Performance (expenditure by standard classification)
- Table A3: Budgeted Financial Performance (expenditure by municipal vote)

- Table A4: Budgeted Financial Performance (revenue by source)
- Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding

Secondly, this section presents and explains the various tables that must be compiled as required by National Treasury. Some of the tables are variations on a theme which allows the extraction of macro statistics. Whilst this is a good practice, it can become a tad repetitive at the micro or local level. Comment will therefore only be made when there is something important or relevant to say.

Table A1 - Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
Financial Performance										
Property rates	118 810	127 721	142 458	155 182	149 182	149 182	149 182	162 261	169 993	180 193
Service charges	202 018	226 549	241 302	256 197	254 697	254 697	254 697	272 586	290 487	309 567
Investment revenue	5 915	6 667	6 589	8 309	7 809	7 809	7 809	2 346	3 251	7 061
Transfers recognised - operational	62 943	89 231	83 819	81 877	83 347	83 347	83 347	68 879	100 612	116 249
Other own revenue	70 203	57 277	35 501	26 557	26 557	26 557	26 557	30 730	32 207	33 572
Total Revenue (excluding capital transfers and contributions)	459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Employee costs	125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
Remuneration of councillors	4 588	5 619	5 908	6 348	6 348	6 348	6 348	6 665	6 998	7 346
Depreciation & asset impairment	18 823	148 838	21 370	23 655	23 655	23 655	23 655	28 199	27 683	27 262
Finance charges	17 193	16 694	14 882	17 055	13 755	13 755	13 755	18 500	18 200	18 001
Materials and bulk purchases	100 201	124 415	140 439	142 946	143 543	143 543	143 543	153 843	165 975	177 242
Transfers and grants	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Other expenditure	130 692	251 768	153 559	168 055	163 928	163 928	163 928	157 803	172 955	178 254
Total Expenditure	402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit)	57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Transfers recognised - capital	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Contributions recognised - capital & contributed assets	—	777	695	3 717	3 717	3 717	3 717	—	—	—
Surplus/(Deficit) after capital transfers & contributions	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Capital expenditure & funds sources										
Capital expenditure	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Transfers recognised - capital	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Public contributions & donations	—	777	41	3 717	3 717	3 717	3 717	—	—	—
Borrowing	9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Internally generated funds	6 610	15 768	20 978	13 870	20 657	20 657	20 657	12 895	19 270	15 015
Total sources of capital funds	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Financial position										
Total current assets	131 968	129 858	131 510	109 589	117 550	117 550	117 550	124 007	142 781	190 161
Total non current assets	943 005	859 583	912 667	957 548	974 966	974 966	974 966	1 016 064	1 058 535	1 093 085
Total current liabilities	89 502	94 692	105 418	93 418	109 662	109 662	109 662	117 274	125 427	134 158
Total non current liabilities	231 714	236 725	223 267	231 274	220 247	220 247	220 247	228 039	236 018	244 348
Community wealth/Equity	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741
Cash flows										
Net cash from (used) operating	89 897	68 828	74 264	79 809	80 118	80 118	80 118	64 497	77 507	97 558
Net cash from (used) investing	(54 777)	(62 490)	(71 476)	(78 125)	(85 759)	(85 759)	(85 759)	(69 051)	(69 859)	(61 466)
Net cash from (used) financing	5 411	(8 144)	(17 740)	(6 191)	(9 953)	(9 953)	(9 953)	759	851	923
Cash/cash equivalents at the year end	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286
Cash backing/surplus reconciliation										
Cash and investments available	72 767	72 887	65 186	72 344	50 733	50 733	50 733	48 753	59 230	98 403
Application of cash and investments	39 685	41 492	17 883	63 095	32 193	32 193	24 110	36 558	43 774	56 318
Balance - surplus (shortfall)	33 081	31 395	47 303	9 249	18 540	18 540	26 623	12 195	15 456	42 085
Asset management										
Asset register summary (WDV)	924 682	839 134	890 669	925 136	922 251	929 205	968 611	968 611	1 009 233	1 041 759
Depreciation & asset impairment	18 823	148 838	21 370	23 655	23 655	23 655	28 199	28 199	27 683	27 262
Renewal of Existing Assets	21 845	35 188	13 915	33 669	43 398	43 398	43 398	19 848	23 060	13 050
Repairs and Maintenance	18 091	22 025	22 515	34 713	28 538	28 538	37 443	37 443	39 967	42 100
Free services										
Cost of Free Basic Services provided	—	—	—	—	—	—	—	—	—	—
Revenue cost of free services provided	30 362	34 335	40 481	38 827	38 827	38 827	38 827	38 827	40 761	44 252
Households below minimum service level										
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	0	0	—	—	—	—	—	—	—	—

Total revenue before capital transfers and contributions will increase by only 2.9% from last year's adjusted budget of R521.6 million. Expenditure will have risen by 4.4% (R22.9m) on the same basis.

Employee costs have risen by 5.3% on the 2013/14 adjustment budget figure. This includes the annual increase of 6.8% on basic remuneration as instructed by the Local Government Bargaining Council however it also includes a 4% reduction (R6.1m) as a result of Council not filling vacancies from 1 July 2014. Without this approach the increase in staff costs would be in excess of 9% on the Adjustments Budget and would require another 3.5% rates rise above the 7.5% recommended.

The repairs and maintenance budget for 2014/15 will increase by 7.9% on the original budget figure for 2013/14 from 34.8m to 37.4m. Council has noted the requirements of National Treasury in Circular 70 to increase Repairs and Maintenance. Without going into the debate about what percentage of asset value should be used to calculate the amount of required in terms of maintenance the simple fact is that the increases involved in a topographically inefficient area that is Knysna the figure and the increases will never be enough. The proposed increase of R2.7m (7.9%) to R37.4m is in line with rate and tariff increases and therefore above all other expenditures that can be controlled.

Table A2 - Budgeted Financial Performance (by standard classification)

WC048 Knysna - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue - Standard										
Governance and administration		190 855	187 031	168 431	177 884	172 951	172 951	181 479	192 509	208 204
Executive and council		56 626	37 772	10 138	6 938	7 738	7 738	6 414	8 450	9 599
Budget and treasury office		127 852	137 945	152 983	166 942	161 078	161 078	170 300	179 056	193 349
Corporate services		6 377	11 313	5 310	4 004	4 135	4 135	4 765	5 003	5 256
Community and public safety		44 459	71 761	78 960	68 814	68 814	68 814	57 861	73 720	79 681
Community and social services		1 275	1 466	2 168	9 313	9 313	9 313	8 691	8 183	7 397
Sport and recreation		873	1 031	831	1 011	1 011	1 011	1 071	1 136	1 204
Public safety		2 539	7 828	14 224	12 008	12 008	12 008	17 157	16 515	17 783
Housing		39 772	61 435	61 735	46 483	46 483	46 483	30 941	47 886	53 297
Health		—	0	1	—	—	—	—	—	—
Economic and environmental services		6 723	7 748	7 057	21 244	21 460	21 460	9 459	7 915	7 348
Planning and development		1 869	1 893	1 618	3 226	3 226	3 226	3 374	2 507	2 647
Road transport		4 764	5 855	5 439	18 018	18 234	18 234	6 085	5 408	4 701
Environmental protection		90	—	—	—	—	—	—	—	—
Trading services		255 563	272 361	296 939	306 783	305 283	305 283	327 452	358 807	385 214
Electricity		146 953	172 645	188 048	199 912	198 412	198 412	209 120	226 265	241 854
Water		68 900	50 357	60 212	66 685	66 685	66 685	72 858	77 496	85 414
Waste water management		21 278	28 846	27 601	17 024	17 024	17 024	19 315	25 548	26 076
Waste management		18 431	20 513	21 079	23 162	23 162	23 162	26 158	29 498	31 870
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	497 599	538 900	551 387	574 725	568 508	568 508	576 250	632 951	680 447
Expenditure - Standard										
Governance and administration		108 833	336 097	123 051	140 875	139 053	139 053	148 072	160 454	168 979
Executive and council		35 046	256 819	37 775	35 699	35 889	35 889	38 040	40 309	42 171
Budget and treasury office		25 918	30 939	30 784	40 444	39 277	39 277	40 466	46 000	48 753
Corporate services		47 869	48 338	54 492	64 733	63 887	63 887	69 566	74 145	78 055
Community and public safety		84 803	105 799	106 130	91 013	91 545	91 545	77 330	88 474	89 030
Community and social services		8 420	8 774	9 600	11 212	10 596	10 596	13 360	15 555	16 458
Sport and recreation		10 513	11 719	12 957	12 824	12 981	12 981	12 807	13 694	14 433
Public safety		17 254	21 164	26 233	24 055	25 047	25 047	24 729	26 803	28 227
Housing		45 458	60 762	53 526	38 330	38 330	38 330	21 085	26 706	23 874
Health		3 159	3 381	3 815	4 591	4 591	4 591	5 349	5 715	6 038
Economic and environmental services		25 601	30 270	30 933	43 402	42 874	42 874	45 186	47 429	49 742
Planning and development		5 440	6 461	7 401	10 248	10 008	10 008	10 118	10 831	11 474
Road transport		19 292	22 783	22 281	31 773	31 485	31 485	33 896	35 021	36 599
Environmental protection		869	1 026	1 251	1 381	1 381	1 381	1 172	1 578	1 670
Trading services		183 118	220 366	233 579	257 200	247 768	247 768	273 512	291 480	307 827
Electricity		110 317	136 788	153 292	178 816	170 260	170 260	181 567	194 772	206 862
Water		35 152	40 187	41 917	39 204	38 246	38 246	46 432	48 397	50 393
Waste water management		15 259	21 495	17 653	18 663	18 617	18 617	20 262	21 249	22 100
Waste management		22 390	21 896	20 716	20 516	20 645	20 645	25 251	27 062	28 473
Other	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	402 355	692 532	493 692	532 490	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit) for the year		95 245	(153 632)	57 695	42 235	47 268	47 268	32 151	45 114	64 869

Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

WC048 Knysna - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Revenue by Vote			1									
Vote 1 - Executive & Council				56 626	37 772	10 138	6 938	7 738	7 738	6 414	8 450	9 599
Vote 2 - Corporate Services				2 664	2 668	3 614	3 190	3 263	3 263	3 345	3 532	3 730
Vote 3 - Financial Services				128 001	138 068	153 062	166 969	161 105	161 105	170 373	179 130	193 425
Vote 4 - Strategic Services				154	0	—	—	—	—	—	—	—
Vote 5 - Planning & Development				44 042	71 095	63 353	49 708	49 708	49 708	34 315	50 393	55 944
Vote 6 - Community Services				27 827	35 538	43 585	49 254	49 312	49 312	55 685	59 569	62 262
Vote 7 - Electrical Services				147 030	172 687	188 138	200 412	198 912	198 912	211 020	226 767	242 831
Vote 8 - Technical Services				91 256	81 072	89 497	98 254	98 470	98 470	95 097	105 110	112 656
Total Revenue by Vote			2	497 599	538 900	551 387	574 725	568 508	568 508	576 250	632 951	680 447
Expenditure by Vote to be appropriated			1									
Vote 1 - Executive & Council				35 046	256 819	37 775	35 699	35 889	35 889	38 040	40 309	42 171
Vote 2 - Corporate Services				16 244	18 642	24 093	24 768	25 524	25 524	26 443	27 766	29 224
Vote 3 - Financial Services				30 872	36 648	38 105	50 391	48 371	48 371	52 430	58 337	61 732
Vote 4 - Strategic Services				3 048	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development				55 113	71 758	64 596	54 355	54 217	54 217	36 390	44 433	42 598
Vote 6 - Community Services				69 546	75 316	81 283	81 985	82 712	82 712	90 728	98 833	104 204
Vote 7 - Electrical Services				115 362	141 864	159 178	185 779	177 240	177 240	189 015	202 654	215 163
Vote 8 - Technical Services				77 124	91 484	88 663	99 513	97 286	97 286	111 054	115 506	120 486
Total Expenditure by Vote			2	402 355	692 532	493 692	532 490	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit) for the year			2	95 245	(153 632)	57 695	42 235	47 268	47 268	32 151	45 114	64 869

The various points of note within this table are the following.

Revenue

- An overall low increase of 0.26% (1.525 million) in total revenue mainly as a result of the following:
 - Vote 5 - Planning & Development: Lower Housing Grant gazetted to be received for 2014/15 (R30.8 million) compared to (R46.5 million) received in 2013/14 Financial year,
 - Vote 8 - Technical Services: R7.2 million Provincial Grant for the Nekkies Intersection project in 13/14, and R7 million for 14/15 gazetted in 2013/14 MTREF. Nothing was gazetted on this project for 14/15 and,
 - Vote 3 - Financial Services: Reduction of R5 million on Council Investments hence 2% low increases overall on Directorate level.

Expenditure

- An overall increase of 2.18% (R11.610 million) in total expenditure mainly as a result of the following:
 - Vote 6 - Community Services: Additional request for the cleansing program as well as top up for the Refuse Removal Transnet costs.

Table A4 - Budgeted Financial Performance (revenue and expenditure)

WC048 Knysna - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source												
Property rates	2		116 791	125 364	139 970	152 574	146 574	146 574	146 574	159 457	167 021	177 042
Property rates - penalties & collection charges			2 019	2 356	2 487	2 608	2 608	2 608	2 608	2 804	2 972	3 150
Service charges - electricity revenue	2		138 946	160 116	172 199	182 411	180 911	180 911	180 911	193 213	206 352	220 384
Service charges - water revenue	2		37 925	40 656	43 078	45 492	45 492	45 492	45 492	48 904	51 838	54 948
Service charges - sanitation revenue	2		9 121	9 632	10 232	10 619	10 619	10 619	10 619	11 469	12 157	12 886
Service charges - refuse revenue	2		12 715	13 179	13 459	14 281	14 281	14 281	14 281	15 352	16 274	17 250
Service charges - other			3 310	2 966	2 334	3 393	3 393	3 393	3 393	3 648	3 867	4 099
Rental of facilities and equipment			4 069	3 500	3 545	4 745	4 745	4 745	4 745	5 030	5 331	5 651
Interest earned - external investments			5 915	6 667	6 589	8 309	7 809	7 809	7 809	2 346	3 251	7 061
Interest earned - outstanding debtors			3 873	4 551	3 237	3 192	3 192	3 192	3 192	3 250	3 413	3 582
Dividends received			-	-	-	-	-	-	-	-	-	-
Fines			2 338	7 677	13 964	11 369	11 369	11 369	11 369	15 111	15 867	16 659
Licences and permits			1 719	1 843	1 674	1 902	1 902	1 902	1 902	1 998	2 097	2 202
Agency services			1 716	1 774	1 809	1 700	1 700	1 700	1 700	1 800	1 890	1 985
Transfers recognised - operational			62 943	89 231	83 819	81 877	83 347	83 347	83 347	68 879	100 612	116 249
Other revenue	2		54 946	37 889	8 455	3 449	3 449	3 449	3 449	3 291	3 309	3 142
Gains on disposal of PPE			1 541	43	2 816	200	200	200	200	250	300	350
Total Revenue (excluding capital transfers and contributions)			459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Expenditure By Type												
Employee related costs	2		125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
Remuneration of councillors			4 588	5 619	5 908	6 348	6 348	6 348	6 348	6 665	6 998	7 346
Debt impairment	3		15 952	25 142	20 480	28 454	28 454	28 454	28 454	25 196	26 746	28 443
Depreciation & asset impairment	2		18 823	148 838	21 370	23 655	23 655	23 655	23 655	28 199	27 683	27 262
Finance charges			17 193	16 694	14 882	17 055	13 755	13 755	13 755	18 500	18 200	18 001
Bulk purchases	2		85 586	107 621	122 262	127 000	127 000	127 000	127 000	137 236	148 297	158 678
Other materials	8		14 615	16 794	18 177	15 946	16 543	16 543	16 543	16 607	17 678	18 564
Contracted services			13 063	15 363	17 128	20 452	19 714	19 714	19 714	22 360	23 794	25 004
Transfers and grants			5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Other expenditure	4, 5		101 139	210 757	113 962	119 149	115 761	115 761	115 761	110 247	122 416	124 807
Loss on disposal of PPE			538	506	1 989	-	-	-	-	-	-	-
Total Expenditure			402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit)			57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Transfers recognised - capital			37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Contributions recognised - capital	6		-	777	695	3 717	3 717	3 717	3 717	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Taxation			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation			95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Attributable to minorities			-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality			95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Share of surplus/ (deficit) of associate	7		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year			95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869

The issues to note on this table (Original and Adjusted budget of 13/14 against 14/15 new budget):

- 15% decrease on Transfers Recognised Operational
- An overall 4.5% increase on property rates after the Adjustment Budget in February 2014
- A R5 million decrease on investment revenue
- 5% increase on Salaries mainly as a result of the R6 million saving to be effected on vacancies.

Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding

WC048 Knysna - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		—	535	—	1 730	1 930	1 930	1 930	—	—	—
Vote 2 - Corporate Services		—	—	—	—	—	—	—	—	—	—
Vote 3 - Financial Services		—	1 063	450	1 502	1 630	1 630	1 630	—	—	—
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		4 015	10 856	—	14 000	14 000	14 000	14 000	18 000	13 500	10 125
Vote 6 - Community Services		—	—	—	—	—	—	—	830	1 350	1 000
Vote 7 - Electrical Services		1 098	6 011	—	1 500	1 500	1 500	1 500	3 900	6 500	8 000
Vote 8 - Technical Services		16 995	16 066	5 381	13 073	13 473	13 473	13 473	15 880	17 572	15 634
Capital multi-year expenditure sub-total	7	22 108	34 531	5 831	31 805	32 533	32 533	32 533	38 610	38 922	34 759
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		354	532	3 214	2 048	3 284	3 284	3 284	1 090	52	59
Vote 2 - Corporate Services		202	240	76	80	119	119	119	40	31	34
Vote 3 - Financial Services		3 233	1 739	4 857	642	1 833	1 833	1 833	590	833	761
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		3 164	3 788	12 232	4 617	4 617	4 617	4 617	275	534	68
Vote 6 - Community Services		587	2 599	4 216	13 277	14 328	14 328	14 328	8 462	12 796	10 702
Vote 7 - Electrical Services		4 431	7 099	15 939	14 456	20 002	20 002	20 002	9 491	8 399	3 948
Vote 8 - Technical Services		20 135	9 790	25 784	9 034	8 216	8 216	8 216	9 043	6 733	9 453
Capital single-year expenditure sub-total		32 106	25 787	66 318	44 154	52 399	52 399	52 399	28 991	29 378	25 025
Total Capital Expenditure - Vote		54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Capital Expenditure - Standard											
Governance and administration		7 766	12 819	9 299	6 633	9 706	9 706	9 706	2 220	2 003	1 786
Executive and council		354	1 067	3 214	3 778	5 214	5 214	5 214	1 090	52	59
Budget and treasury office		634	1 256	1 515	1 569	1 884	1 884	1 884	200	76	77
Corporate services		6 777	10 496	4 570	1 286	2 608	2 608	2 608	930	1 875	1 650
Community and public safety		6 561	8 005	14 476	27 149	28 106	28 106	28 106	23 779	22 212	20 404
Community and social services		58	253	1 492	10 099	9 986	9 986	9 986	4 659	5 112	2 509
Sport and recreation		—	26	792	500	1 180	1 180	1 180	770	2 030	770
Public safety		908	934	—	2 100	2 490	2 490	2 490	350	1 570	7 000
Housing		5 595	6 792	12 192	14 450	14 450	14 450	14 450	18 000	13 500	10 125
Health		—	—	—	—	—	—	—	—	—	—
Economic and environmental services		1 470	5 370	1 828	11 068	10 634	10 634	10 634	4 474	3 846	450
Planning and development		1	—	—	—	—	—	—	—	—	—
Road transport		1 456	5 370	1 828	6 951	6 517	6 517	6 517	4 224	3 596	450
Environmental protection		13	—	—	4 117	4 117	4 117	4 117	250	250	—
Trading services		38 417	34 123	46 546	31 109	36 486	36 486	36 486	37 128	40 239	37 144
Electricity		4 717	13 054	15 939	15 966	21 422	21 422	21 422	13 341	14 899	11 948
Water		25 869	5 285	11 321	13 603	12 593	12 593	12 593	18 574	17 027	17 550
Waste water management		7 712	14 820	17 786	1 550	2 471	2 471	2 471	2 040	3 523	6 646
Waste management		120	963	1 500	—	—	—	—	3 173	4 790	1 000
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Standard	3	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Funded by:											
National Government		33 163	27 112	26 383	24 969	24 969	24 969	24 969	21 317	22 901	23 680
Provincial Government		3 457	3 328	14 472	17 916	18 171	18 171	18 171	18 132	13 500	10 125
District Municipality		200	—	—	—	—	—	—	—	—	—
Other transfers and grants		891	239	169	—	58	58	58	—	—	—
Transfers recognised - capital	4	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Public contributions & donations	5	—	777	41	3 717	3 717	3 717	3 717	—	—	—
Borrowing	6	9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Internally generated funds		6 610	15 768	20 978	13 870	20 657	20 657	20 657	12 895	19 270	15 015
Total Capital Funding	7	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784

Table A6 - Budgeted Financial Position

The following three tables namely A6, A7 and A8 below are probably the most important in this whole document. As a result all comments have been reserved until after table A8 and refer to all three of the tables.

WC048 Knysna - Table A6 Budgeted Financial Position

2014/15 Medium Term Revenue & Expenditure Framework											
Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Current assets											
Cash		26 231	25 161	22 885	12 963	12 566	12 566	12 566	11 771	18 270	50 286
Call investment deposits	1	31 078	30 342	23 276	30 000	18 000	18 000	18 000	15 000	17 000	22 000
Consumer debtors	1	62 932	62 765	67 199	60 670	69 311	69 311	69 311	78 373	87 373	96 373
Other debtors		7 370	3 424	9 497	3 561	10 256	10 256	10 256	11 077	11 963	12 920
Current portion of long-term receivables		63	202	115	70	120	120	120	125	130	135
Inventory	2	4 294	7 965	8 540	2 324	7 297	7 297	7 297	7 661	8 044	8 447
Total current assets		131 968	129 858	131 510	109 589	117 550	117 550	117 550	124 007	142 781	190 161
Non current assets											
Long-term receivables		467	633	456	380	2 853	2 853	2 853	2 734	2 609	2 480
Investments		15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Investment property		198 067	130 649	130 645	134 998	130 645	130 645	130 645	130 645	130 645	130 645
Investment in Associate		—	—	—	—	—	—	—	—	—	—
Property, plant and equipment	3	725 797	685 074	736 291	789 510	797 610	797 610	797 610	837 066	877 737	910 311
Agricultural		—	—	—	—	—	—	—	—	—	—
Biological		—	—	—	—	—	—	—	—	—	—
Intangible		818	669	992	627	950	950	950	900	851	803
Other non-current assets		2 398	25 173	25 259	2 652	22 741	22 741	22 741	22 738	22 734	22 730
Total non current assets		943 005	859 583	912 667	957 548	974 966	974 966	974 966	1 016 064	1 058 535	1 093 085
TOTAL ASSETS		1 074 973	989 441	1 044 178	1 067 137	1 092 516	1 092 516	1 092 516	1 140 072	1 201 316	1 283 246
LIABILITIES											
Current liabilities											
Bank overdraft	1	—	—	—	—	—	—	—	—	—	—
Borrowing	4	17 181	17 259	18 130	16 030	19 580	19 580	19 580	21 147	22 838	24 666
Consumer deposits		9 103	9 289	9 658	11 852	10 431	10 431	10 431	11 265	12 166	13 140
Trade and other payables	4	42 729	49 338	55 980	48 721	58 001	58 001	58 001	61 481	65 170	69 080
Provisions		20 490	18 806	21 650	16 816	21 650	21 650	21 650	23 382	25 252	27 272
Total current liabilities		89 502	94 692	105 418	93 418	109 662	109 662	109 662	117 274	125 427	134 158
Non current liabilities											
Borrowing		159 162	149 548	129 597	134 396	117 421	117 421	117 421	115 779	114 038	112 161
Provisions		72 552	87 176	93 670	96 878	102 826	102 826	102 826	112 260	121 980	132 187
Total non current liabilities		231 714	236 725	223 267	231 274	220 247	220 247	220 247	228 039	236 018	244 348
TOTAL LIABILITIES		321 216	331 417	328 685	324 693	329 908	329 908	329 908	345 313	361 445	378 505
NET ASSETS	5	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		734 142	595 454	653 100	647 283	692 855	692 855	692 855	709 403	743 904	793 150
Reserves	4	19 615	62 571	62 393	95 162	69 752	69 752	69 752	85 355	95 968	111 591
Minorities' interests		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	5	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741

Table A7 - Budgeted Cash Flows

WC048 Knysna - Table A7 Budgeted Cash Flows

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Ratepayers and other		329 207	351 935	387 814	411 608	397 459	397 459	397 459	426 998	452 342	481 000
Government - operating	1	62 943	88 663	83 819	81 877	83 087	83 087	83 087	68 879	100 612	116 249
Government - capital	1	37 711	29 353	41 023	42 885	42 924	42 924	42 924	39 449	36 401	33 805
Interest		5 915	6 667	6 589	10 764	11 001	11 001	11 001	5 596	6 664	10 643
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(322 843)	(385 320)	(424 495)	(446 677)	(434 976)	(434 976)	(434 976)	(452 221)	(494 461)	(520 222)
Finance charges		(17 193)	(16 686)	(14 876)	(15 006)	(13 755)	(13 755)	(13 755)	(18 500)	(18 200)	(18 001)
Transfers and Grants	1	(5 843)	(5 784)	(5 610)	(5 642)	(5 622)	(5 622)	(5 622)	(5 704)	(5 851)	(5 916)
NET CASH FROM/(USED) OPERATING ACTIVITIES		89 897	68 828	74 264	79 809	80 118	80 118	80 118	64 497	77 507	97 558
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 541	43	2 881	200	200	200	200	250	300	350
Decrease (Increase) in non-current debtors		-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables		729	-	-	60	115	115	115	115	120	125
Decrease (increase) in non-current investments		(3 203)	(2 437)	128	(2 426)	(1 142)	(1 142)	(1 142)	(1 815)	(1 978)	(2 156)
Payments											
Capital assets		(53 845)	(60 096)	(74 484)	(75 959)	(84 932)	(84 932)	(84 932)	(67 601)	(68 300)	(59 784)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(54 777)	(62 490)	(71 476)	(78 125)	(85 759)	(85 759)	(85 759)	(69 051)	(69 859)	(61 466)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		20 111	8 254	-	11 944	17 360	17 360	17 360	15 257	12 629	10 964
Increase (decrease) in consumer deposits		629	185	369	1 077	773	773	773	834	901	973
Payments											
Repayment of borrowing		(15 329)	(16 583)	(18 110)	(19 212)	(28 086)	(28 086)	(28 086)	(15 332)	(12 679)	(11 014)
NET CASH FROM/(USED) FINANCING ACTIVITIES		5 411	(8 144)	(17 740)	(6 191)	(9 953)	(9 953)	(9 953)	759	851	923
NET INCREASE/ (DECREASE) IN CASH HELD		40 531	(1 806)	(14 952)	(4 506)	(15 594)	(15 594)	(15 594)	(3 795)	8 499	37 016
Cash/cash equivalents at the year end:	2	16 778	57 309	55 503	47 470	46 161	46 161	46 161	30 566	26 771	33 270
Cash/cash equivalents at the year end:	2	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286

Table A8 - Cash backed reserves/accumulated surplus reconciliation

WC048 Knysna - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash and investments available											
Cash/cash equivalents at the year end	1	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286
Other current investments > 90 days		0	(0)	5 610	(0)	0	0	0	(0)	(0)	(0)
Non current assets - Investments	1	15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Cash and investments available:		72 767	72 887	65 186	72 344	50 733	50 733	50 733	48 753	59 230	98 403
Application of cash and investments											
Unspent conditional transfers		5 634	2 137	1 262	-	-	-	-	-	-	-
Unspent borrowing		21 700	17 243	-	-	8 083	8 083	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	(22 721)	(9 948)	(17 129)	(13 554)	(18 140)	(18 140)	(18 140)	(23 110)	(28 485)	(33 721)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Reserves to be backed by cash/investments	5	19 615	14 676	14 725	47 268	22 084	22 084	22 084	37 687	48 299	63 923
Total Application of cash and investments:		39 685	41 492	17 883	63 095	32 193	32 193	32 193	36 558	43 774	56 318
Surplus(shortfall)		33 081	31 395	47 303	9 249	18 540	18 540	18 540	12 195	15 456	42 085

The anticipated consumer debtors figure of R78.4 million remains of concern.

Council have taken a number of steps to ensure that far more attention is paid to minimising debt at an early stage, that is, before it reaches 90 days. After that point debt recovery, especially on services other than rates or electricity, becomes very problematic.

Council will continue to follow the iron fist in a velvet glove approach to credit control. Sadly we have had to take the harder approach of handing over more debtors to our debt collectors for direct action. This is most

especially in regard to assessment rates—the tax—and for charges on vacant land.

It should be noted that by the end of the MTREF Knysna Municipality outstanding borrowings should fall to R137 million. This is comfortably below the peak of nearly R159 million reached in 2009/10. Once again this demonstrates the implementation of our financial strategy in recent years to endeavour to place Knysna in a position to take advantage of the upward economic cycle when it occurs.

Table SA8 entitled Performance Indicators confirms the downward trends in both our gearings and our Debt to Equity ratios.

The dilemma Knysna has is that the growth and demand of housing projects is creating even more infrastructure strains. The move to ensure that the current thrust of directing the Housing Grant to infrastructure must be maintained and expanded.

Table A9 - Asset Management

WC048 Knysna - Table A9 Asset Management

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
CAPITAL EXPENDITURE												
Total New Assets												
	1		32 368	25 129	58 234	42 290	41 534	41 534	47 753	45 240	46 734	
			Infrastructure - Road transport	1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450
			Infrastructure - Electricity	2 658	5 387	10 596	8 752	8 939	8 939	7 421	9 072	11 489
			Infrastructure - Water	19 823	1 034	9 920	10 580	9 909	9 909	11 013	8 314	13 421
			Infrastructure - Sanitation	-	-	15 466	700	700	700	1 400	3 273	6 646
			Infrastructure - Other	1 399	7 968	-	-	216	216	1 830	2 050	1 000
			Infrastructure	25 336	19 391	37 648	26 133	25 865	25 865	23 443	23 955	33 006
			Community	3 087	3 345	14 624	16 065	15 360	15 360	20 062	16 653	12 704
			Heritage assets	-	-	-	-	-	-	-	-	-
			Investment properties	-	-	-	-	-	-	-	-	-
			Other assets	-	-	-	-	-	-	-	-	-
	6		3 945	2 394	5 962	92	309	309	4 248	4 632	1 024	
			Agricultural Assets	-	-	-	-	-	-	-	-	-
			Biological assets	-	-	-	-	-	-	-	-	-
			Intangibles	-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets												
	2		21 845	35 188	13 915	33 669	43 398	43 398	19 848	23 060	13 050	
			Infrastructure - Road transport	-	-	162	4 517	4 517	4 517	-	-	-
			Infrastructure - Electricity	3 483	9 568	5 100	6 746	11 986	11 986	5 000	5 000	-
			Infrastructure - Water	5 481	4 235	308	3 023	2 684	2 684	7 561	8 713	3 129
			Infrastructure - Sanitation	7 705	13 030	2 320	400	1 321	1 321	-	-	-
			Infrastructure - Other	-	52	-	-	-	-	-	-	-
			Infrastructure	16 669	26 885	7 890	14 686	20 508	20 508	12 567	13 713	3 129
			Community	-	323	2 218	10 465	11 552	11 552	3 947	2 769	3 000
			Heritage assets	-	-	-	-	-	-	-	-	-
			Investment properties	-	-	-	-	-	-	-	-	-
			Other assets	-	-	-	-	-	-	-	-	-
	6		5 176	7 981	3 807	8 518	11 339	11 339	3 340	6 578	6 921	
			Agricultural Assets	-	-	-	-	-	-	-	-	-
			Biological assets	-	-	-	-	-	-	-	-	-
			Intangibles	-	-	-	-	-	-	-	-	-
Total Capital Expenditure												
	4		1 456	5 002	1 828	10 618	10 618	10 618	1 779	1 246	450	
			Infrastructure - Road transport	6 141	14 955	15 696	15 498	20 925	12 421	14 072	11 489	
			Infrastructure - Electricity	25 304	5 269	10 228	13 603	12 593	12 593	18 574	17 027	16 550
			Infrastructure - Water	7 705	13 030	17 786	1 100	2 021	2 021	1 400	3 273	6 646
			Infrastructure - Sanitation	1 399	8 020	-	-	216	216	1 830	2 050	1 000
			Infrastructure - Other	42 004	46 275	45 538	40 819	46 373	46 373	36 004	37 668	36 135
			Infrastructure	3 087	3 668	16 842	26 530	26 911	26 911	24 009	19 422	15 704
			Community	-	-	-	-	-	-	-	-	-
			Heritage assets	-	-	-	-	-	-	-	-	-
			Investment properties	-	-	-	-	-	-	-	-	-
			Other assets	-	-	-	-	-	-	-	-	-
	6		9 121	10 375	9 769	8 610	11 648	11 648	7 588	11 210	7 945	
			Agricultural Assets	-	-	-	-	-	-	-	-	-
			Biological assets	-	-	-	-	-	-	-	-	-
			Intangibles	-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class												
	2		54 213	60 318	72 149	75 959	84 932	84 932	67 601	68 300	59 784	
ASSET REGISTER SUMMARY - PPE (WDV)												
	5		76 831	84 926	83 748	88 100	90 248	97 202	94 076	90 507	86 215	
			Infrastructure - Road transport	102 014	117 788	128 432	137 739	143 498	143 498	148 934	156 149	160 886
			Infrastructure - Electricity	168 727	170 045	191 647	182 058	173 681	173 681	185 850	196 589	206 947
			Infrastructure - Water	52 473	62 998	81 446	77 759	77 070	77 070	75 663	76 180	80 112
			Infrastructure - Sanitation	1 014	938	890	1 903	660	660	2 473	4 507	5 491
			Infrastructure - Other	401 059	436 694	486 163	487 559	485 157	492 111	506 996	523 932	539 651
			Infrastructure	23 333	34 020	35 244	80 852	61 691	61 691	85 146	104 025	119 193
			Community	1 711	22 741	22 741	1 551	22 738	22 738	22 734	22 731	22 727
			Heritage assets	198 067	130 649	130 645	134 998	130 645	130 645	130 645	130 645	130 645
			Investment properties	299 694	214 361	214 883	219 549	221 070	221 070	222 189	227 049	228 741
			Other assets	-	-	-	-	-	-	-	-	-
			Agricultural Assets	-	-	-	-	-	-	-	-	-
			Biological assets	-	-	-	-	-	-	-	-	-
			Intangibles	818	669	992	627	950	950	900	851	803
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)												
	5		924 682	839 134	890 669	925 136	922 251	929 205	968 611	1 009 233	1 041 759	
EXPENDITURE OTHER ITEMS												
Depreciation & asset impairment												
	3		18 823	148 838	21 370	23 655	23 655	23 655	28 199	27 683	27 262	
Repairs and Maintenance by Asset Class												
			18 091	22 025	22 515	34 713	28 538	28 538	37 443	39 967	42 100	
			Infrastructure - Road transport	3 647	4 798	4 202	7 643	7 643	7 643	8 254	8 750	9 222
			Infrastructure - Electricity	2 533	4 651	6 156	10 908	5 499	5 499	11 780	12 487	13 161
			Infrastructure - Water	3 716	3 339	2 360	3 705	2 627	2 627	4 001	4 241	4 471
			Infrastructure - Sanitation	1 316	2 014	1 666	1 700	2 413	2 413	1 836	1 946	2 051
			Infrastructure - Other	-	0	-	455	161	161	460	470	480
			Infrastructure	11 213	14 802	14 384	24 411	18 342	18 342	26 332	27 894	29 385
			Community	628	783	737	1 169	1 111	1 111	1 241	1 315	1 379
			Heritage assets	-	-	-	-	-	-	-	-	-
			Investment properties	-	-	-	-	-	-	-	-	-
			Other assets	-	-	-	-	-	-	-	-	-
	6, 7		6 250	6 440	7 394	9 133	9 086	9 086	9 870	10 758	11 336	
TOTAL EXPENDITURE OTHER ITEMS												
			36 914	170 863	43 884	58 368	52 193	52 193	65 642	67 650	69 361	
Renewal of Existing Assets as % of total capex												
			40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	29.4%	33.8%	21.8%	
Renewal of Existing Assets as % of deprecn"												
			116.1%	23.6%	65.1%	142.3%	183.5%	183.5%	70.4%	83.3%	47.9%	
R&M as a % of PPE												
			2.5%	3.2%	3.1%	4.4%	3.6%	3.6%	4.5%	4.6%	4.6%	
Renewal and R&M as a % of PPE												
			4.0%	7.0%	4.0%	7.0%	8.0%	8.0%	6.0%	6.0%	5.0%	

Table A10 - Basic service delivery measurement

WC048 Knysna - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling		52%								
Piped water inside yard (but not in dwelling)		13%								
Using public tap (at least min.service level)	2	14%								
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		1	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		74%								
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)		15%								
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		1	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)		86%	89%							
Minimum Service Level and Above sub-total		1	1	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	1	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		94%	1							
Minimum Service Level and Above sub-total		1	1	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump		1%	1%							
Using own refuse dump		1%	1%							
Other rubbish disposal		1%	1%							
No rubbish disposal										
Below Minimum Service Level sub-total		0	0	-	-	-	-	-	-	-
Total number of households	5	1	1	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)		30 000	30 000		100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)		6	6		6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-		-	-	-	-	-	-
Sanitation (Rand per household per month)		46	47							
Electricity (kwh per household per month)		50	50		50	50	50	50	50	50
Refuse (average litres per week)		170	170		170	170	170	170	170	170
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-							
Property rates (other exemptions, reductions and rebates)		18 941	21 272	27 999	26 233	26 233	26 233	26 233	27 239	29 893
Water		5 091	5 583	7 032	7 520	7 520	7 520	7 520	8 084	8 569
Sanitation		763	716	1 105	1 009	1 009	1 009	1 009	1 089	1 155
Electricity/other energy		2 322	2 951	3 063	3 005	3 005	3 005	3 005	3 210	3 428
Refuse		897	795	1 282	1 060	1 060	1 060	1 060	1 140	1 208
Municipal Housing - rental rebates		-	-							
Housing - top structure subsidies		2 349	3 018							
Other										
Total revenue cost of free services provided (total social package)	6	30 362	34 335	40 481	38 827	38 827	38 827	38 827	40 761	44 252

PART 2 -SUPPORTING DOCUMENTATION

Section 5-Overview of Annual Budget Process

Annual planning processes

In recent years the operating budget of Knysna has been driven totally on the premise of cash flow and consumer affordability. Throughout South Africa there are municipalities in financial meltdown because of bad budgeting and by extension bad financial management. A bad budget automatically leads to increased non-payment and pressured cash flows.

The cash basis which we follow means that outside of those expenditures we cannot cut, for example salaries, the bulk Eskom payment, interest and redemption payments and non-discretionary charges such as fuel etc., the balance of the budget for repairs and maintenance, stores and materials and other expenditures simply to make the municipality function, is zero-based as far as is practicable. In this budget repairs and maintenance has again been deliberately prioritised to ensure a greater level of service delivery at the expense of “soft” services.

Budget Process 2014/15

The budget process followed the requirements of the MFMA. A schedule of key deadlines was prepared for tabling in Council by the Mayor prior to the end of August 2014 as required.

The draft budget was tabled in Council on 27 March 2014. A period of consultation then followed as per the dictates of Sections 22 and 23 of the MFMA.

At the culmination of the process the Mayor must consider any representations and decide if any amendments should be made to the budget.

The Municipality’s budget is prepared on a three year basis. This takes into account the National and Provincial three year allocations to the municipality and to ensure optional financial planning and provide for seamless service delivery.

Operating expenditure in 2014/15 is budgeted at R544.1 million only a 2.2% an increase on the original budget for 2013/14, and a 4.4% increase on the adjusted budget for 2013/14.

The municipality sets out measurable performance objectives to link the financial inputs of the budget to service delivery on the ground. This is done in the form of quarterly service targets and monthly financial targets that are contained in the Service Delivery and Budget Implementation Plan

(SDBIP). The draft SDBIP is attached as Annexure 7 to the MTREF. The Plan must be approved by the Mayor within 28 days of approval of the final budget and forms the basis for the Municipality's in-year monitoring.

Section 6-Overview of Alignment of the Annual Budget with the Integrated Development Plan

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the Budget. The IDP and the budget are inter-related documents. The IDP is the budget in words, just as the budget is the IDP in figures. In recent years comprehensive efforts have been made towards ensuring that the two documents closely link.

Section 7-Measurable Performance Objectives and Indicators

Indicators and ratios

The key financial indicators and ratios mentioned below are disclosed in Annexure 2, 'Supporting Table SA8: Performance indicators and benchmarks':

- Borrowing management
- Safety of capital
- Liquidity
- Debtors' and creditors' management
- Mix of expenditure types
- Mix of revenue sources
- Unaccounted for losses in respect of services rendered

Funding measure ratios are disclosed in Annexure 2 'Supporting Table SA10: Funding measurement'.

Drinking water quality and waste water management

An assessment of the present situation is to be undertaken in April 2014. The following is an extract from the previous (current) assessment:

- i. **Water Services Authority & Water Services Provider:**
Knysna Municipality

Blue Drop Status

The comments from Department of Water Affairs for the 2012 blue drop assessment were:

“The Knysna Local Municipality did extremely well in the face of various challenges, particularly in terms of water scarcity. The certification status retained for Karatara is well deserved even though the water supply system of Knysna came very close as well. If it were not for the seven out of 19 Aluminium failures recorded over the audit period, this system would most certainly have obtained the coveted Blue Drop certification.

Once again the Department is calling upon the municipality to prioritise coagulant process optimisation in light of the varying raw water quality to minimise the likelihood of chemical quality failure. There is also space for improvement in the rather conservative chemical monitoring programme implemented in systems like the one at Sedgefield. In addition to this the need for process audits are required to ensure that treatment facilities operate as effectively as possible since this is the most important control measure in the entire risk management process. The need for process audits is even higher when considering the advanced technology (such as desalination processes) employed in Knysna and Sedgefield.”

ii. Green Drop Status

From the Green Drop 2012 assessments of the Department of Water Affairs the following comments are relevant:

“The main challenge of the Waste Water Treatment Works (WWTW) for Knysna Local Municipality is the compliance monitoring in terms of the National Water Act set standards as per the specific authorisation. The risk rating for all WWTW ranges from low risk to a high risk. Karatara has the lowest risk compared with the Knysna 2 plant having the highest risk. Knysna Local Municipality will be upgrading the works within the next financial year in order to treat effluent to comply with the required standards (special limit). Corrective plans are also being developed to improve compliance on the Knysna 1 plant. The Knysna 2 works needs urgent attention since it has moved extremely from low to high risk with the conclusion that it does not comply with any of the required standards.”

iii. Water Safety Plan

The Water Safety Plan was implemented with the assessments from 2010 and the shortfalls are addressed in the operational requirements of the MTREF. Where capacity issues are of

concern the challenges remain the capacity funding of major projects. Knysna Waste Water Treatment Works is being addressed in the 3 year capital program and additional funding is being sought for other areas.

iv. Challenges

The challenges, as mentioned, are for capital funding to provide additional capacity for bulk water and sewer services to meet the growth of the various towns. Grant funding is currently used and additional grant funding is being applied for, however an extended period is envisaged to fund all constraints to growth resulting from the water and waste water services. Human Resources also are a challenge and need to be addressed within the operational budget with provisions for additional staff.

Section 8 - Overview of Budget Related Policies

The detailed policies themselves are not included in this section of the budget documentation. See Annexure 6 to this document for the full policies.

Policies are also available at the Council offices in Clyde Street for viewing as well as on the Internet at www.knysna.gov.za. This section gives a **broad overview** of the budget policy framework and highlights the amended policies to be approved by Council resolution.

Name of Policy	Type	Date adopted by Council	Purpose / Basic areas covered by Policy	Summary of significant proposed changes for adoption
REVENUE RELATED				
Tariff	Minor update	30 May 2013	Setting criteria for establishing service tariffs	N/A
Rates	Minor update	30 May 2013	Setting criteria for establishing rates tariffs	N/A
Credit control	Minor update	30 May 2013	Principles and guidelines to be followed with respect to arrear consumer debt control	N/A
Indigent support & social rebate	Minor update	30 May 2013	Guidelines and procedures for the subsidization of rates and basic services to indigent households	N/A

Name of Policy	Type	Date adopted by Council	Purpose / Basic areas covered by Policy	Summary of significant proposed changes for adoption
BUDGET AND EXPENDITURE RELATED				
Liability, investment & cash management	Not amended	30 May 2013	Guideline of procedures to be followed when investing or lending money	n/a
Budget	Minor update	30 May 2013	Sets out rules and procedures to be followed in the compilation and management of the budget	N/A
Supply chain management	Amended *	30 May 2013	Dictates procedures for the procurement of goods and services	Emphasis on local and HDI businesses via link to Preferential Procurement Policy & Strategy
Funding and reserves policy	Not Amended	30 May 2013	Sets standards and guidelines for financial viability	n/a

*The Supply Chain Management Policy will be supplemented in April and May 2014 by Council's Preferential Procurement Policy and Strategy.

Section 9 - Overview of Budget Assumptions

Budget Assumptions

Budgets are prepared in an environment of uncertainty. To prepare meaningful budgets, assumptions need to be made about internal and external factors that could influence the budget.

This budget is premised on a 94% payment level as explained earlier.

Growth or decline in tax base of the municipality

The buoyancy of the tax base is the main determinant of the affordability of new infrastructure development. Long term financial modelling shows a financial shortfall of over R1 billion in the resources required for infrastructure development over the next 15 years.

No growth has been built in as future growth in the tax base over the MTREF.

General inflation outlook and its impact on the municipal activities

The revised headline CPI forecasts from National Treasury for 2014/15, 2015/16 and 2016/17 are 6.2%, 5.9% and 5.5% respectively. The growth parameters apply to tariff increases for property rates, user and other charges raised by municipalities and municipal entities, to ensure that all spheres of government support the national macroeconomic policies. National Treasury have announced that local increases must be in line with the CPI forecasts and that a salary increase of only 6.85% should be budgeted for. NT has also communicated that any rate or tariff increase above 6% must be fully communicated to the community.

Rates, tariffs, charges and timing of revenue collection

The rates, tariffs and charges for the 2014/15 budget are included in Annexure 3.

The following table shows the assumed average domestic percentage increases built into the MTREF for rates, tariffs and charges:

	2014/15	2015/16	2016/17
Rates	7.5%	7%	7%
Refuse	8%	10%	10%
Water- fixed and consumption	7%	7%	7%
Sewer	8%	8%	8%
Electricity - monthly consumption tariff	*7.39%	*6%	*6%
* Average proposed increase			

Collection rates for each revenue source and customer type

The Municipality has in place a fair but rigorous credit control policy and has a good record of debt recovery. Furthermore, its policy on indigent support and social rebates means that many households who would normally struggle to pay their accounts receive free or subsidised basic services thereby keeping them free of the burden of municipal debt. Nevertheless, there will always be an element of the total amount billed that will remain uncollected. The Municipality is the same as any other business in this regard. Adequate provision has to be made in the budget for any bad debts based on assumptions on collection rates.

The following bad debt provisions and collection rates are assumed in the MTREF for rates and tariffs.

R '000	2014/15	2015/16	2016/17
Annual contribution to provision for bad and doubtful debts Table A4: Debt impairment	25 196	26 746	28 443
Assumed collection rate (%)	94.0%	94.0%	94.0%

Price movements on specific items

The following amounts are included in the MTREF for increases in the following items:

R '000	2014/15	2015/16	2016/17
Bulk Purchases Table A4: Bulk purchases	137 236	148 297	158 678

More detail relating to specific items can be found in Annexure 2, 'Supporting Table SA1: Supporting detail to 'Budgeted Financial Performance'.

Trends in demand for free or subsidised basic services

Knysna's criteria for supporting free or subsidised basic services are set out in the indigent support and social rebate policy. The Government allocates revenue via the Division of Revenue Act (DORA) in the form of the Equitable Share Grant with the primary aim of assisting municipalities with the costs of providing free or subsidised basic services. Any costs over and above the Equitable Share allocation are met by the Municipality.

Section 10 - Overview of Budget Funding

Funding the Budget

Section 18(1) of the MFMA states that an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes; and
- Borrowed funds, but only for the capital budget referred to in section 17.

Achievement of this requirement in totality effectively means that a Council has 'balanced' its budget by ensuring that budgeted outflows will be offset by a combination of planned inflows. Refer to Section 4, 'Table A8: Cash backed reserves/accumulated surplus reconciliation' and Annexure 2, 'Supporting Table SA10: Funding measurement'.

Fiscal Overview of Knysna Municipality

Knysna Municipality has over recent years moved to a position of relative financial stability. There is a high level of compliance with the Municipal Finance Management Act and other legislation directly affecting financial management.

The municipality attained a clean audit for the 2012/13 financial year after five years of an unqualified audits report from the Auditor-General. The switch over to GRAP has had huge ramifications not least amongst the professional staffing at the local government level. Knysna Municipality cannot afford the salaries that are a prerequisite to GRAP. There is already a dearth of qualified accountants in South Africa and the complexities that are GRAP in local government are such that outside of the metropolitan areas it is highly unlikely that qualified accountants are going to come and work at the salaries we offer. The Auditor-General has expressed his concerns with regard to the skills levels in the Finance Directorate.

Knysna Municipality has been selected as a pilot site for the implementation of the Standard Chart of Accounts (SCOA). This is a huge honour but will require a serious shift in the way our operational structures report and input. It will take an enormous amount of time and effort and probably money at all levels to ensure full compliance. The money will have to be provided Nationally.

Section 11 - Expenditure on Allocations and Grant Programmes

Disclosure on expenditure on allocations and grant programmes is done by way of Annexure 2, “Supporting Table SA18: Transfers and grant receipts, Supporting Table SA19: Expenditure on transfers and grant programme and Supporting Table SA20: Reconciliation of transfers, grant receipts and unspent funds”.

Expenditure for each grant for the MTREF period is summarised in the table below. Note that the expenditures include the VAT portion that is recognised as expenditure on grant allocations per MFMA Circulars 48, 52 and 58.

National and Provincial Conditional Grant Allocations 2014/15 to 2016/17					
Name of Grant	Allocating Authority / Department	Budget 2014/15 R'000	Indicative 2015/16 R'000	Indicative 2016/17 R'000	Purpose of the Grant
Human settlements development grant <i>Capital & Operational</i>	Province/ Local Government and Housing	30 858	47 799	53 205	To finance the funding requirements of national housing programmes (excluding recurrent costs recoverable from assets falling under the pre-1994 stock). To facilitate the establishment and maintenance of integrated and sustainable human settlements to ensure economically viable and socially equitable communities in areas with ecological integrity.
Library Services	Province/ Cultural Affairs and Sport	3 291	3 329	3 529	To enable public libraries to render an improved service by addressing staffing shortages.
Community Development Worker <i>The provincial department has not gazetted allocations per municipality. Transfers will only be made pending</i>	Province/ Local Government and Housing	53	56	59	To provide financial assistance to municipalities to cover the operating costs pertaining to the functions of the CDW's

<i>business plans and signed agreements.</i>					
Maintenance and Construction of Transport Infrastructure <i>Operational only</i>	Province/ Transport and Public Works	286	0	0	To provide routine maintenance and/or resealing on proclaimed roads (National Roads)
Local Government Financial Management Grant (FMG) <i>Operational only</i>	National / National Treasury	1 450	1 500	1 700	To promote and support reforms in financial management by building the capacity in municipalities to implement the Municipal Finance Management Act.
Municipal Infrastructure Grant (MIG)* <i>Capital & Operational</i>	National / Provincial and Local Government (National Vote 29)	23 648	24 504	25 445	To supplement capital finance for basic municipal infrastructure for poor households, micro enterprises and social institutions. The operating portion is utilised for the Project Management Unit.
Municipal Systems Improvement Grant (MSIG) <i>Capital & Operational</i>	Cooperative Governance and Traditional Affairs (Vote 3)	934	967	1 018	To assist municipalities build in-house capacity to perform their functions and stabilise institutional and governance systems as required in the Municipal Systems Act and related legislation, policies and the local government turnaround strategy.

<p>Integrated National Electrification Programme (INEP)</p> <p><i>Capital & Operational</i></p>	<p>National / Minerals and Energy (National Vote 28)</p>	2 000	3 000	3 000	<p>To implement the Programme by providing capital subsidies to municipalities to address the electrification backlog of permanently occupied residential dwellings, the installation of bulk infrastructure and rehabilitation and refurbishment of electricity infrastructure in order to improve quality of supply.</p>
<p>Expanded Public Works Programme Integrated Grant for Municipalities</p> <p><i>Operational only</i></p>	<p>Public Works (Vote 7)</p>	1 000	0	0	<p>To incentivise municipalities to expand work creation efforts through the use of labour intensive delivery methods in identified focus areas, in compliance with the Expanded Public Works Programme guidelines.</p>

Section 12 - Allocations and Grants made by the Municipality

Allocations Made by the Municipality

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Transfers to Organisations											
Leisure Isle Residents Association	4	–	–	32	84	84	84	84	38	40	41
Animal Welfare		214	214	350	400	400	400	400	432	458	460
Grants-in-aid and Donations		721	628	771	719	719	719	719	776	830	835
Knysna Tourism		4 240	4 495	4 300	4 000	4 000	4 000	4 000	4 000	4 000	4 000
Local Economic Development		–	–	–	–	–	–	–	–	–	–
HIV/AIDS		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		5 175	5 337	5 452	5 203	5 203	5 203	5 203	5 246	5 328	5 336
Cash Transfers to Groups of Individuals											
Bursary Scheme	5	195	179	8	239	29	29	29	258	273	280
Grants-in-aid and Donations		473	268	150	200	200	200	200	200	250	300
Total Cash Transfers To Groups Of Individuals:		668	447	158	439	229	229	229	458	523	580
TOTAL CASH TRANSFERS AND GRANTS	6	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
TOTAL TRANSFERS AND GRANTS	6	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916

The above table depicts all Transfers and grants made by Council to outside organisation within KM area. The main allocation is to the Knysna Tourism which is budgeted to receive R 4 000 000 in 2014/15.

Knysna Tourism is an independent Section 21 company tasked with marketing the municipality as a destination centre. Council has requested the Knysna Tourism Board to review the future of Knysna Tourism, and has budgeted only for one year in terms of the Housing Service Level Agreement.

Section 13 - Councillor Allowances and Employee Benefits

R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	4	2 933	3 730	3 917	4 175	4 175	4 175	4 383	4 602	4 832
Pension and UIF Contributions		171	200	236	244	244	244	256	269	282
Medical Aid Contributions		63	85	69	78	78	78	82	86	90
Motor Vehicle Allowance		1 093	1 339	1 407	1 557	1 557	1 557	1 634	1 716	1 801
Cellphone Allowance		218	266	279	294	294	294	310	326	341
Housing Allowances		110	—	—	—	—	—	—	—	—
Other benefits and allowances		—	—	—	—	—	—	—	—	—
Sub Total - Councillors		4 588	5 619	5 908	6 348	6 348	6 348	6 665	6 998	7 346
% Increase			22.5%	5.1%	7.5%	—	—	5.0%	5.0%	5.0%

The above table depicts the Knysna Councillors Remuneration and a 5% increase is projected for Councillors for 14/15 MTREF.

R thousand	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Senior Managers of the Municipality										
Basic Salaries and Wages		4 677	4 621	3 754	5 678	5 678	5 678	6 894	7 335	7 783
Pension and UIF Contributions		674	654	297	588	588	588	481	512	543
Medical Aid Contributions		53	65	29	76	76	76	124	132	140
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		164	335	454	898	898	898	220	234	248
Motor Vehicle Allowance		445	506	170	477	477	477	439	467	496
Cellphone Allowance		–	–	58	–	–	–	–	–	–
Housing Allowances		–	–	–	–	–	–	–	–	–
Other benefits and allowances		116	308	–	167	167	167	225	239	253
Payments in lieu of leave		–	–	155	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		6 129	6 488	4 918	7 884	7 884	7 884	8 383	8 920	9 464
% increase			5.9%	(24.2%)	60.3%	–	–	6.3%	6.4%	6.1%
Other Municipal Staff										
Basic Salaries and Wages		70 968	79 348	83 795	99 530	92 421	92 421	97 090	109 201	115 834
Pension and UIF Contributions		12 141	13 026	14 681	16 815	17 567	17 567	19 173	20 422	21 668
Medical Aid Contributions		7 032	7 501	8 259	10 594	10 999	10 999	11 743	12 517	13 280
Overtime		7 317	8 881	10 491	6 345	7 510	7 510	7 006	7 409	7 801
Performance Bonus		5 319	5 739	7 014	6 913	7 160	7 160	7 825	8 374	8 885
Motor Vehicle Allowance		2 732	2 751	3 557	3 407	3 491	3 491	4 055	4 308	4 565
Cellphone Allowance		–	–	(58)	–	–	–	–	–	–
Housing Allowances		1 351	1 393	1 493	1 769	1 896	1 896	2 049	2 187	2 320
Other benefits and allowances		3 482	4 247	5 330	5 051	5 170	5 170	5 313	5 738	6 084
Payments in lieu of leave		1 263	1 337	2 814	1 518	1 518	1 518	1 518	1 594	1 673
Long service awards		1 129	1 436	1 553	1 480	1 480	1 480	1 524	1 570	1 649
Post-retirement benefit obligations		6 153	7 265	8 078	7 483	7 483	7 483	7 707	7 938	8 335
Sub Total - Other Municipal Staff		118 886	132 926	147 007	160 905	156 694	156 694	165 003	181 256	192 094
% increase			11.8%	10.6%	9.5%	(2.6%)	–	5.3%	9.9%	6.0%
Total Parent Municipality		129 603	145 034	157 832	175 138	170 927	170 927	180 051	197 174	208 904
			11.9%	8.8%	11.0%	(2.4%)	–	5.3%	9.5%	5.9%

The employee cost increase for 2014/15 after the mandatory vacancy period is budgeted at 5.3% on the adjusted budget for 2013/14 resulting in a total cost of R173.4 million. Without the R6.1 million cut the increase would have been 9.05%. The budgeted increase for the fixed remuneration component to permanent staff is 6.85%.

Section 14 - Monthly Targets for Revenue, Expenditure and Cash Flow

Disclosure on monthly targets for revenue, expenditure and cash flow are made in Annexure 2 however the breakdown is as follows:

Monthly operating budget revenue and expenditure projections

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Revenue By Source																
Property rates		159 673	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	159 457	167 021	177 042
Property rates - penalties & collection charges		234	234	234	234	234	234	234	234	234	234	234	235	2 804	2 872	3 150
Service charges - electricity revenue		20 064	15 529	15 454	15 285	15 262	16 526	16 059	14 585	15 724	15 452	14 771	18 501	193 213	206 352	220 384
Service charges - water revenue		14 896	3 379	2 929	2 358	2 853	2 619	4 298	3 264	3 237	3 351	2 486	3 234	48 904	51 838	54 948
Service charges - sanitation revenue		10 808	60	60	60	60	59	62	60	61	59	60	59	11 469	12 157	12 886
Service charges - refuse revenue		15 299	6	6	4	5	4	4	5	3	6	6	6	15 352	16 274	17 250
Service charges - other		330	290	335	286	297	302	290	297	320	302	303	292	3 648	3 867	4 099
Rental of facilities and equipment		352	274	340	347	349	345	457	386	378	380	384	1 037	5 030	5 331	5 651
Interest earned - external investments		58	58	222	58	58	304	222	222	222	222	222	474	2 346	3 251	7 061
Interest earned - outstanding debtors		309	313	299	325	309	305	264	272	255	263	156	179	3 250	3 413	3 582
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines		1 345	1 321	1 238	1 330	1 282	1 290	1 318	1 360	1 528	1 300	334	1 465	15 111	15 867	16 659
Licences and permits		143	137	143	163	147	113	200	189	202	180	200	180	1 998	2 097	2 202
Agency services		157	157	146	171	149	142	151	147	130	141	154	155	1 800	1 890	1 985
Transfers recognised - operational		19 064	1 133	1 282	1 016	2 436	15 205	1 654	2 413	13 538	1 517	1 884	7 736	68 679	100 612	116 249
Other revenue		594	92	371	36	158	358	56	136	344	78	101	968	3 291	3 309	3 142
Gains on disposal of PPE		3	3	3	3	3	3	3	3	3	3	3	223	250	300	350
Total Revenue (excluding capital transfers and contributions)		243 333	22 966	23 042	21 656	23 584	37 789	25 252	23 553	36 160	23 467	21 276	34 724	536 801	596 550	646 642
Expenditure By Type																
Employee related costs		12 290	13 777	21 674	12 782	20 464	13 191	13 111	13 289	12 851	13 557	13 604	12 795	173 386	190 176	201 558
Remuneration of councillors		525	525	525	525	525	525	560	550	572	572	572	590	6 665	6 998	7 346
Debt impairment		2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 109	25 196	26 746	28 443
Depreciation & asset impairment		2 351	2 350	2 350	2 350	2 349	2 349	2 349	2 349	2 349	2 349	2 349	2 354	28 199	27 683	27 262
Finance charges		-	-	3 947	-	-	5 212	-	-	3 947	-	-	5 394	18 500	18 200	18 001
Bulk purchases		82	18 993	15 782	9 305	9 305	9 305	9 305	9 305	9 305	9 305	9 305	27 941	137 236	148 297	158 678
Other materials		725	933	882	913	2 522	1 633	1 935	1 554	480	1 107	849	3 074	16 607	17 678	18 564
Contracted services		921	1 487	1 917	2 110	1 588	2 707	1 970	2 166	1 799	1 645	1 422	2 628	22 360	23 794	25 004
Transfers and grants		460	945	523	439	406	390	453	388	419	415	479	384	5 704	5 851	5 916
Other expenditure		7 847	7 716	7 277	7 297	6 646	5 228	6 032	9 398	12 793	10 401	9 237	20 374	110 247	122 416	124 807
Loss on disposal of PPE		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		27 301	48 825	56 976	37 619	45 906	42 638	37 815	41 199	46 613	41 450	39 916	77 643	544 100	587 837	615 578
Surplus/(Deficit)		216 032	(25 859)	(33 935)	(16 164)	(22 322)	(4 850)	(12 563)	(17 645)	(10 452)	(17 983)	(18 639)	(42 919)	(7 298)	8 713	31 064
Transfers recognised - capital		-	-	7 987	-	-	7 749	395	1 468	9 324	2 066	1 000	9 459	39 449	36 401	33 805
Contributions recognised - capital		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869

The above table reflects consolidated projections of revenue by source and expenditure by type for the 14/15 budget year broken down per month, and shown in total for the following two years.

Description		Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand	July		August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Revenue by Vote																	
Vote 1 - Executive & Council		2 609	(29)	3	(66)	1 035	986	(66)	967	740	3	3	231	6 414	8 450	9 599	
Vote 2 - Corporate Services		576	140	140	179	171	171	281	202	202	202	210	868	3 345	3 532	3 730	
Vote 3 - Financial Services		160 475	627	804	403	405	1 866	565	572	1 546	549	755	1 806	170 373	179 130	193 425	
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Vote 5 - Planning & Development		674	687	6 613	677	1 146	7 310	1 146	1 146	7 580	1 146	1 370	4 819	34 315	50 393	55 944	
Vote 6 - Community Services		21 534	2 211	2 356	2 324	2 215	6 027	2 738	2 842	6 319	3 326	1 328	2 465	55 685	59 569	62 262	
Vote 7 - Electrical Services		25 157	15 717	16 316	15 468	15 450	20 494	16 242	15 351	19 372	15 811	15 127	20 514	211 020	226 767	242 831	
Vote 8 - Technical Services		32 305	3 612	4 797	2 670	3 162	8 683	4 741	3 942	9 724	4 496	3 484	13 480	95 097	105 110	112 656	
Total Revenue by Vote		243 333	22 966	31 029	21 656	23 584	45 538	25 646	25 022	45 485	25 532	22 276	44 183	576 250	632 951	680 447	
Expenditure by Vote to be appropriated																	
Vote 1 - Executive & Council		3 685	3 069	11 695	2 149	2 246	2 200	2 115	2 138	2 131	2 132	2 182	2 299	38 040	40 309	42 171	
Vote 2 - Corporate Services		2 440	2 070	2 058	2 195	3 104	1 146	2 228	2 389	2 157	1 980	2 138	2 538	26 443	27 766	29 224	
Vote 3 - Financial Services		3 776	4 525	3 774	4 391	5 138	4 303	3 682	4 020	4 172	5 223	4 538	4 889	52 430	58 337	61 732	
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Vote 5 - Planning & Development		2 686	2 755	2 800	2 795	3 276	2 778	2 258	2 231	3 217	3 511	3 281	4 803	36 390	44 433	42 598	
Vote 6 - Community Services		6 072	7 269	6 997	6 810	9 461	7 582	7 944	7 193	6 826	7 414	7 211	9 951	90 728	98 833	104 204	
Vote 7 - Electrical Services		2 663	21 971	20 837	12 447	12 625	15 364	12 974	12 537	15 539	13 471	13 307	35 279	189 015	202 654	215 163	
Vote 8 - Technical Services		5 980	7 166	8 815	7 033	10 056	9 264	6 613	10 691	12 572	7 720	7 259	17 884	111 054	115 506	120 486	
Total Expenditure by Vote		27 301	48 825	56 976	37 619	45 906	42 638	37 815	41 199	46 613	41 450	39 916	77 643	544 100	587 837	615 578	
Surplus/(Deficit) before assoc.		216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869	
Taxation		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Attributable to minorities		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Surplus/(Deficit)	1	216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869	

The above table reflects revenue and expenditure on Directorate Level broken down per month for the budget year, and shown in total for the following two outer years.

Monthly capital budget revenue and expenditure projections

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Corporate Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Financial Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Strategic Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning & Development		-	-	265	2 043	1 462	1 187	1 939	561	1 700	1 708	1 708	5 428	18 000	13 500	10 125
Vote 6 - Community Services		-	-	-	-	-	-	-	-	-	-	-	830	830	1 350	1 000
Vote 7 - Electrical Services		-	-	150	150	150	150	150	150	150	150	150	2 550	3 900	6 500	8 000
Vote 8 - Technical Services		-	734	-	-	734	-	2 694	901	1 339	2 207	1 628	5 645	15 880	17 572	15 634
Capital multi-year expenditure sub-total	2	-	734	415	2 193	2 345	1 337	4 783	1 612	3 188	4 065	3 486	14 453	38 610	38 922	34 759
Single-year expenditure to be appropriated	2															
Vote 1 - Executive & Council		-	-	-	-	16	-	-	16	203	203	219	435	1 090	52	59
Vote 2 - Corporate Services		-	-	-	-	-	27	-	-	27	-	27	(40)	40	31	34
Vote 3 - Financial Services		-	-	-	-	22	190	-	212	-	-	213	(47)	590	833	761
Vote 4 - Strategic Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Planning & Development		-	-	-	-	17	-	-	17	-	-	17	225	275	534	68
Vote 6 - Community Services		-	-	-	42	151	42	919	919	1 028	877	410	4 075	8 462	12 796	10 702
Vote 7 - Electrical Services		793	290	200	411	562	165	602	119	44	176	339	5 791	9 491	8 399	3 948
Vote 8 - Technical Services		138	138	138	138	222	138	197	222	253	138	322	6 999	9 043	6 733	9 453
Capital single-year expenditure sub-total	2	931	428	338	590	990	561	1 718	1 505	1 554	1 393	1 546	17 437	28 991	29 378	25 025
Total Capital Expenditure	2	931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784

The above Budgeted monthly capital expenditure on Municipal vote and reflects capital expenditure broken down per month for the budget year, and shown in total for the following two outer years.

Monthly cash flow projections

MONTHLY CASH FLOWS	R thousand	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source																
Property rates	8 013	8 013	58 760	8 013	8 013	8 013	8 013	8 013	8 013	8 013	8 013	8 013	8 013	146 901	154 072	163 608
Property rates - penalties & collection charges	215	215	215	215	215	215	215	215	215	215	215	215	215	216	2 983	2 742
Service charges - electricity revenue	18 484	14 306	14 237	14 081	14 061	15 225	14 794	13 437	14 486	14 235	13 608	17 044	177 999	190 353	203 661	
Service charges - water revenue	13 723	3 113	2 688	2 172	2 629	2 412	3 960	3 007	2 982	3 087	2 290	2 979	45 053	47 819	50 779	
Service charges - sanitation revenue	880	880	880	880	880	880	880	880	880	880	880	880	10 566	11 214	11 909	
Service charges - refuse revenue	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	14 143	15 012	15 941	
Service charges - other	309	268	308	263	273	279	267	274	294	278	279	269	3 361	3 567	3 788	
Rental of facilities and equipment	324	253	314	319	322	318	421	355	349	350	354	955	4 634	4 918	5 223	
Interest earned - external investments	54	54	205	54	54	280	205	205	205	205	205	205	436	2 161	2 999	6 526
Interest earned - outstanding debtors	284	289	276	299	285	281	243	251	235	243	144	165	2 994	3 148	3 310	
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1 345	1 321	1 238	1 330	1 282	1 290	1 318	1 360	1 528	1 300	334	1 466	15 111	15 867	16 659	
Licences and permits	143	137	143	163	147	113	200	189	202	180	200	180	1 998	2 097	2 202	
Agency services	157	157	146	171	149	142	151	147	130	141	154	155	1 800	1 890	1 985	
Transfer receipts - operational	19 064	1 133	1 282	1 016	2 436	15 205	1 654	2 413	13 538	1 517	1 884	7 736	68 879	100 612	116 249	
Other revenue	622	96	388	38	165	374	59	143	360	81	105	1 013	3 444	3 309	3 142	
Cash Receipts by Source	64 795	31 413	82 269	30 195	32 090	46 207	33 559	32 067	44 598	31 904	29 843	42 687	501 626	559 618	607 892	
Other Cash Flows by Source																
Transfer receipts - capital	11 835	11 835	11 835	438	438	438	438	438	438	438	438	438	438	39 449	36 401	33 805
Contributions recognised - capital & Contributed	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	3	3	3	3	3	3	3	3	3	3	3	3	223	250	300	350
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	7 629	-	-	-	-	-	-	7 629	15 257	12 629	10 964
Increase (decrease) in consumer deposits	70	70	70	70	70	70	70	70	70	70	70	70	834	901	973	
Decrease (increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivable	10	10	10	10	10	10	10	10	10	10	10	10	115	120	125	
Decrease (increase) in non-current investments	-	-	-	-	-	(907)	-	-	-	-	-	-	(907)	(1 815)	(1 978)	(2 156)
Total Cash Receipts by Source	76 712	43 329	94 186	30 715	32 610	53 448	34 079	32 587	45 118	32 423	30 363	50 148	555 716	607 990	651 953	
Cash Payments by Type																
Employee related costs	11 621	13 027	20 494	12 086	19 350	12 473	12 398	12 566	12 151	12 819	12 863	12 099	163 947	180 367	191 203	
Remuneration of councillors	525	525	525	525	525	525	560	650	572	572	572	590	6 665	6 998	7 345	
Finance charges	-	-	-	-	-	9 149	-	-	-	-	-	-	9 149	18 297	17 987	17 778
Bulk purchases - Electricity	82	18 993	15 782	9 305	9 305	9 305	9 305	9 305	9 305	9 305	9 305	9 305	27 941	137 236	148 297	158 678
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	725	933	882	913	2 522	1 633	1 935	1 554	480	1 107	849	3 074	16 607	17 678	18 564	
Contracted services	921	1 487	1 917	2 110	1 588	2 707	1 970	2 166	1 799	1 645	1 422	2 628	22 360	23 794	25 004	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	460	945	523	439	408	390	453	388	419	415	479	384	5 704	5 851	5 916	
Other expenditure	7 626	7 498	7 072	7 090	6 458	5 080	5 862	9 133	12 432	10 107	8 976	19 798	107 132	119 110	121 299	
Cash Payments by Type	21 961	43 408	47 195	32 469	40 156	41 261	32 482	35 762	37 157	35 970	34 466	75 662	477 949	520 082	545 787	
Other Cash Flows/Payments by Type																
Capital assets	931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784	
Repayment of borrowing	-	-	-	-	-	7 666	-	-	-	-	-	-	7 666	15 332	12 679	11 014
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	22 891	44 570	47 947	35 252	43 491	50 825	38 984	38 879	41 899	41 428	39 498	115 219	560 882	601 061	616 585	
NET INCREASE/(DECREASE) IN CASH HELD	53 820	(1 241)	46 238	(4 537)	(10 880)	2 622	(4 904)	(6 292)	3 218	(9 005)	(9 135)	(65 071)	(5 166)	6 929	35 367	
Cash/cash equivalents at the month/year begin	30 586	84 387	83 146	129 384	124 847	113 967	116 589	111 684	105 393	108 611	99 686	90 471	25 400	25 400	32 330	67 697
Cash/cash equivalents at the month/year end	84 387	83 146	129 384	124 847	113 967	116 589	111 684	105 393	108 611	99 686	90 471	25 400	25 400	32 330	67 697	

The above Budgeted monthly cash flow' sets out receipts by source and payments by type for both operating and capital, broken down per month for the budget year, and shown in total for the following two outer years.

Budgeted household accounts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		236.40	249.40	236.37	242.05	242.05	242.05	7.5%	275.51	312.63	336.07
Electricity: Basic levy		69.00	69.00	69.00	69.00	71.00	71.00	7.0%	76.00	80.00	85.00
Electricity: Consumption		770.00	906.50	1 029.00	1 091.27	1 091.27	1 091.27	6.5%	1 169.51	1 249.06	1 334.00
Water: Basic levy		97.52	100.95	107.02	113.45	113.45	113.45	7.5%	121.93	131.07	140.86
Water: Consumption		134.30	289.82	306.18	325.61	325.16	325.16	7.6%	350.16	376.24	404.46
Sanitation		45.54	47.15	50.00	54.09	54.09	54.09	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 399.91	1 712.31	1 848.52	1 949.35	1 950.89	1 950.89	8.2%	2 109.71	2 274.88	2 436.36
VAT on Services		162.89	204.81	225.70	239.03	239.03	2 868.36	—	256.79	274.72	294.04
Total large household bill:		1 562.80	1 917.12	2 074.22	2 188.38	2 189.92	4 819.25	8.1%	2 366.50	2 549.60	2 730.40
% increase/decrease			22.7%	8.2%	5.5%	0.1%	120.1%		(50.9%)	7.7%	7.1%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		165.83	174.95	161.93	161.37	161.37	161.37	7.5%	183.67	208.42	224.05
Electricity: Basic levy		69.00	69.00	69.00	69.00	87.00	87.00	5.7%	76.00	80.00	85.00
Electricity: Consumption		385.00	389.50	437.50	463.75	463.75	463.75	6.5%	494.25	527.93	563.83
Water: Basic levy		97.52	100.95	107.02	113.45	113.44	113.44	7.5%	121.93	131.07	140.86
Water: Consumption		213.03	220.37	233.53	247.54	247.54	247.54	7.6%	266.26	286.04	307.51
Sanitation		45.54	47.15	50.00	54.09	54.09	54.09	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		—	—	—	—	—	—	—	—	—	—
sub-total		1 023.07	1 051.41	1 109.93	1 163.07	1 181.06	1 181.06	8.2%	1 258.71	1 359.34	1 457.22
VAT on Services		120.01	122.70	132.72	140.24	140.24	1 682.88	—	150.51	161.13	172.64
Total small household bill:		1 143.08	1 174.11	1 242.65	1 303.31	1 321.30	2 863.94	8.1%	1 409.22	1 520.47	1 629.86
% increase/decrease			2.7%	5.8%	4.9%	1.4%	116.8%		(50.8%)	7.9%	7.2%
Monthly Account for Household - 'Indigent Household receiving free basic services'	3										
Rates and services charges:											
Property rates		95.27	100.50	94.18	80.68	80.68	80.68	7.5%	91.84	104.21	112.02
Electricity: Basic levy		69.00	69.00	69.00	39.75	39.75	39.75	7.2%	42.61	45.50	48.59
Electricity: Consumption		231.00	213.00	243.00	257.58	257.58	257.58	6.5%	272.88	291.57	311.40
Water: Basic levy		97.52	100.95	107.02	113.45	113.44	113.44	7.5%	121.93	131.07	140.86
Water: Consumption		145.88	150.92	159.88	169.47	169.47	169.47	7.6%	182.36	195.84	210.56
Sanitation		45.54	47.15	50.00	54.09	54.00	54.00	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		—	—	—	—	—	—	—	—	—	—
sub-total		731.36	731.01	774.03	768.90	768.79	768.79	7.7%	828.22	894.07	959.40
VAT on Services		89.05	88.27	95.18	96.36	96.36	1 156.32	—	103.09	110.58	118.63
Total small household bill:		820.41	819.28	869.21	865.26	865.15	1 925.11	7.6%	931.31	1 004.65	1 078.03
% increase/decrease			(0.1%)	6.1%	(0.5%)	(0.0%)	122.5%		(51.6%)	7.9%	7.3%

The above table compiles the data for the monthly budgeted account for household income analysis, per small and large household.

Property Rates information

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/its	Public benefit organs.	Mining Props.
Budget Year 2014/15																	
Valuation:																	
No. of properties		15 538	177	398	97	458	984	72	—	—	143	—	—	—	—	151	—
No. of sectional title property values		1 130	—	400	—	—	—	—	—	—	57	—	—	—	—	—	—
No. of unreasonably difficult properties s7(2)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of supplementary valuations		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Supplementary valuation (Rm)		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of valuation roll amendments		84	5	4	30	—	50	—	—	—	—	—	—	—	—	—	—
No. of objections by rate-payers		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of appeals by rate-payers		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of appeals by rate-payers finalised		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of successful objections	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
No. of successful objections > 10%	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Estimated no. of properties not valued		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Flat rate used? (Y/N)		no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Is balance rated by uniform rate/variable rate?		uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform

'Supporting Table SA11: Property rates summary' contains the Property Rates summary with all statistic data however the above table depicts Property Rates by Category for 14/15 MTREF.

Section 15 - Annual Budgets and Service Delivery and Budget Implementation Plans - Internal Directorates

Adoption of the Service Delivery and Budget Implementation Plan

In terms of section 53(1)(c)(ii) of the MFMA the Service Delivery and Budget Implementation Plan must be approved by the Mayor within 28 days after the final approval of the budget.

Contents of the SDBIP

The SDBIP must contain monthly projections of income and expenditure and quarterly projections of measurable performance objectives. Some annual targets are still to be confirmed. These will be included in the final budget documentation and SDBIP.

SDBIP requirements

The SDBIP is essentially a business plan and is an integral part of the financial planning process. Although its approval is required after the budget, its preparation occurs in tandem with the budget process. The SDBIP is the connection between the strategic plan, IDP, budget and performance agreements, and includes detailed information on how the budget will be implemented, by means of forecast cash flows and service delivery targets and performance indicators.

The draft Service Delivery and Budget Implementation Plan is attached as Annexure 7 to the MTREF.

National and Provincial Government refer to five national KPAs they regard as essential to Local Authorities meeting their responsibilities these are:

1. Institutional Transformation and Financial Viability
2. Environmental Planning and Management
3. Infrastructure Development
4. Community Services
5. Local Economic Development

In addition Local Government Turnaround Strategy (LGTAS) has identified six key thematic problem areas that need to be addressed in varying degrees by municipalities:

1. Service delivery
2. Spatial conditions
3. Governance
4. Financial Management
5. Local Economic Development
6. Labour Relations

Institutional Scorecard

The Institutional Scorecard is a synopsis of the planned SDBIP for the medium term 2014/2015 to 2015/2016. The scorecard has been aligned with the National KPA and the Municipal KPA (IDP strategic objectives). This will form the basis of the Directors performance agreement scorecards as well as the basis for departmental performance indicators.

Section 16 - Annual Budgets and Service Delivery Agreements - Municipal entities and other external mechanisms

Council currently has only one service delivery agreement of this nature in place. This agreement is with Knysna Tourism in order to provide the tourism function.

The Municipal entity that is the Knysna Economic Development Agency (KEDA) is completely dormant.

Section 17 -Contracts Having Future Budgetary Implications

‘Supporting Table SA33: Contracts having future budgetary implications’ in Annexure 2 discloses all contracts which will impose financial obligations on the municipality beyond the three years covered in the annual budget.

Since Knysna falls into the category of municipalities with approved total revenue greater than R250 million, all contracts with an annual cost greater than R1million and for longer than three years must be disclosed.

Rental: Melville Development (Customer Centre):

Year	2011/12	2012/13	2013/14	2014/15	2015/16
R 000	1 545	1 645	1 752	1 866	161

Contract commenced 2006/07 and ends in 2015/16

Section 18 - Capital Expenditure Details

Capital details are also shown in Annexure 2 as follows:

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		—	535	—	1 730	1 930	1 930	1 930	—	—	—
Vote 2 - Corporate Services		—	—	—	—	—	—	—	—	—	—
Vote 3 - Financial Services		—	1 063	450	1 502	1 630	1 630	1 630	—	—	—
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		4 015	10 856	—	14 000	14 000	14 000	14 000	18 000	13 500	10 125
Vote 6 - Community Services		—	—	—	—	—	—	—	830	1 350	1 000
Vote 7 - Electrical Services		1 098	6 011	—	1 500	1 500	1 500	1 500	3 900	6 500	8 000
Vote 8 - Technical Services		16 995	16 066	5 381	13 073	13 473	13 473	13 473	15 880	17 572	15 634
Capital multi-year expenditure sub-total	7	22 108	34 531	5 831	31 805	32 533	32 533	32 533	38 610	38 922	34 759
Single-year expenditure - to be appropriated	2										
Vote 1 - Executive & Council		354	532	3 214	2 048	3 284	3 284	3 284	1 090	52	59
Vote 2 - Corporate Services		202	240	76	80	119	119	119	40	31	34
Vote 3 - Financial Services		3 233	1 739	4 857	642	1 833	1 833	1 833	590	833	761
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		3 164	3 788	12 232	4 617	4 617	4 617	4 617	275	534	68
Vote 6 - Community Services		587	2 599	4 216	13 277	14 328	14 328	14 328	8 462	12 796	10 702
Vote 7 - Electrical Services		4 431	7 099	15 939	14 456	20 002	20 002	20 002	9 491	8 399	3 948
Vote 8 - Technical Services		20 135	9 790	25 784	9 034	8 216	8 216	8 216	9 043	6 733	9 453
Capital single-year expenditure sub-total		32 106	25 787	66 318	44 154	52 399	52 399	52 399	28 991	29 378	25 025
Total Capital Expenditure - Vote		54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Capital Expenditure - Standard											
Governance and administration		7 766	12 819	9 299	6 633	9 706	9 706	9 706	2 220	2 003	1 786
Executive and council		354	1 067	3 214	3 778	5 214	5 214	5 214	1 090	52	59
Budget and treasury office		634	1 256	1 515	1 569	1 884	1 884	1 884	200	76	77
Corporate services		6 777	10 496	4 570	1 286	2 608	2 608	2 608	930	1 875	1 650
Community and public safety		6 561	8 005	14 476	27 149	28 106	28 106	28 106	23 779	22 212	20 404
Community and social services		58	253	1 492	10 099	9 986	9 986	9 986	4 659	5 112	2 509
Sport and recreation		—	26	792	500	1 180	1 180	1 180	770	2 030	770
Public safety		908	934	—	2 100	2 490	2 490	2 490	350	1 570	7 000
Housing		5 595	6 792	12 192	14 450	14 450	14 450	14 450	18 000	13 500	10 125
Health		—	—	—	—	—	—	—	—	—	—
Economic and environmental services		1 470	5 370	1 828	11 068	10 634	10 634	10 634	4 474	3 846	450
Planning and development		1	—	—	—	—	—	—	—	—	—
Road transport		1 456	5 370	1 828	6 951	6 517	6 517	6 517	4 224	3 596	450
Environmental protection		13	—	—	4 117	4 117	4 117	4 117	250	250	—
Trading services		38 417	34 123	46 546	31 109	36 486	36 486	36 486	37 128	40 239	37 144
Electricity		4 717	13 054	15 939	15 956	21 422	21 422	21 422	13 341	14 899	11 948
Water		25 869	5 285	11 321	13 603	12 593	12 593	12 593	18 574	17 027	17 550
Waste water management		7 712	14 820	17 786	1 550	2 471	2 471	2 471	2 040	3 523	6 646
Waste management		120	963	1 500	—	—	—	—	3 173	4 790	1 000
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Standard	3	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Funded by:											
National Government		33 163	27 112	26 250	24 969	24 969	24 969	24 969	21 317	22 901	23 680
Provincial Government		3 457	3 328	10 510	17 916	18 171	18 171	18 171	18 132	13 500	10 125
District Municipality		200	—	—	—	—	—	—	—	—	—
Other transfers and grants		891	239	—	—	58	58	58	—	—	—
Transfers recognised - capital	4	37 711	30 679	36 760	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Public contributions & donations	5	—	777	41	3 717	3 717	3 717	3 717	—	—	—
Borrowing	6	9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Internally generated funds		6 610	15 768	25 241	13 870	20 657	20 657	20 657	12 895	19 270	15 015
Total Capital Funding	7	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784

The above table outlines Capital programmes budgeted for on Directorate level, Standard Classification as well as Funding Source.

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
SO1: To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	SFA1 - Basic Service Delivery	A		53 122	57 115	71 079	64 872	70 720	70 720	61 083	61 670	56 539
SO2: To ensure ecological integrity through sustainable practices of municipal governance	SFA1 - Basic Service Delivery			—	—	—	4 117	4 117	4 117	3 423	3 420	1 000
SO3: To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor interventions	SFA2 - Local Economic Development	B							—	250	250	—
SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	SFA3 - Municipal Financial Viability and Transformation			—	927	450	3 232	5 351	5 351	—	120	—
SO6: To develop progressive strategies to optimise the use of available human resources	SFA4 - Municipal Transformation & Organisational Development	C		1 091	2 266	620	1 823	2 864	2 864	1 845	2 840	2 245
SO7: To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry	SFA5 - Good Governance & Public Participation			—	10	—	1 915	1 880	1 880	1 000	—	—
Total Capital Expenditure			1	54 213	60 318	72 149	75 959	84 932	84 932	67 601	68 300	59 784

The table above depicts the same Council Capital budget on Strategic Objectives and main goals set for Knysna Municipality.

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		25 336	19 391	37 648	26 133	25 865	25 865	23 443	23 955	33 006
Infrastructure - Road transport		1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450
Roads, Pavements & Bridges		1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450
Storm water		-	-	-	-	-	-	-	-	-
Infrastructure - Electricity		2 658	5 387	10 596	8 752	8 939	8 939	7 421	9 072	11 489
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		1 892	5 387	7 964	7 713	7 713	7 713	5 754	8 632	10 632
Street Lighting		766	-	2 632	1 039	1 226	1 226	1 667	440	857
Infrastructure - Water		19 823	1 034	9 920	10 580	9 909	9 909	11 013	8 314	13 421
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		14 063	286	6 823	5 624	4 953	4 953	6 265	437	5 898
Reticulation		5 760	748	3 097	4 956	4 956	4 956	4 748	7 877	7 523
Infrastructure - Sanitation		-	-	15 466	700	700	700	1 400	3 273	6 646
Reticulation		-	-	-	100	100	100	-	-	-
Sewerage purification		-	-	15 466	600	600	600	1 400	3 273	6 646
Infrastructure - Other		1 399	7 968	-	-	216	216	1 830	2 050	1 000
Waste Management		-	-	-	-	-	-	1 830	2 050	1 000
Transportation	2	1 399	7 968	-	-	216	216	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		3 087	3 345	14 624	16 065	15 360	15 360	20 062	16 653	12 704
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	70	160	70
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	173	775	175	175	180	1 223	2 509
Libraries		-	-	-	-	-	-	282	150	-
Recreational facilities		-	-	-	-	-	-	250	250	-
Cemeteries		-	-	-	-	-	-	250	1 370	-
Social rental housing	8	3 087	3 092	10 000	14 000	14 000	14 000	18 000	13 500	10 125
Other		-	253	4 451	1 290	1 185	1 185	1 030	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		3 945	2 394	5 962	92	309	309	4 248	4 632	1 024
General vehicles		-	699	-	-	178	178	2 573	3 860	1 000
Specialised vehicles		-	1 135	-	-	-	-	-	-	-
Plant & equipment		-	-	900	-	-	-	-	-	-
Computers - hardware/equipment		2 726	343	27	5	5	5	-	-	-
Furniture and other office equipment		298	143	5 035	87	126	126	50	22	24
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		99	74	-	-	-	-	125	-	-
Other Buildings		-	-	-	-	-	-	1 500	750	-
Other Land		823	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	32 368	25 129	58 234	42 290	41 534	41 534	47 753	45 240	46 734
Specialised vehicles										
Refuse		-	1 135	-	-	-	-	-	-	-
Fire		-	-	-	-	-	-	-	-	-
Conservancy		-	1 135	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		16 669	26 885	7 890	14 686	20 508	20 508	12 561	13 713	3 129
Infrastructure - Road transport		-	-	162	4 517	4 517	4 517	-	-	-
Roads, Pavements & Bridges		-	-	162	200	200	200	-	-	-
Storm water		-	-	-	4 317	4 317	4 317	-	-	-
Infrastructure - Electricity		3 483	9 568	5 100	6 746	11 986	11 986	5 000	5 000	-
Generation		-	-	-	-	-	-	-	-	-
Transmission & Reticulation		3 483	9 568	4 820	6 746	11 986	11 986	5 000	5 000	-
Street Lighting		-	-	280	-	-	-	-	-	-
Infrastructure - Water		5 481	4 235	308	3 023	2 684	2 684	7 561	8 713	3 129
Dams & Reservoirs		-	-	-	-	-	-	-	-	-
Water purification		4 829	3 513	88	2 193	2 193	2 193	6 731	7 873	1 629
Reticulation		652	722	220	830	491	491	830	840	1 500
Infrastructure - Sanitation		7 705	13 030	2 320	400	1 321	1 321	-	-	-
Reticulation		22	417	1 120	200	200	200	-	-	-
Sewerage purification		7 683	12 613	1 200	200	1 121	1 121	-	-	-
Infrastructure - Other		-	52	-	-	-	-	-	-	-
Waste Management		-	52	-	-	-	-	-	-	-
Transportation	2	-	-	-	-	-	-	-	-	-
Gas		-	-	-	-	-	-	-	-	-
Other	3	-	-	-	-	-	-	-	-	-
Community		-	323	2 218	10 465	11 552	11 552	3 947	2 769	3 000
Parks & gardens		-	-	-	-	-	-	-	-	-
Sportsfields & stadia		-	239	240	500	1 158	1 158	-	400	-
Swimming pools		-	-	-	-	-	-	-	-	-
Community halls		-	-	132	4 334	4 334	4 334	3 947	2 369	-
Libraries		-	84	1 096	4 921	5 408	5 408	-	-	-
Recreational facilities		-	-	-	-	-	-	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-	-	3 000
Security and policing		-	-	-	-	-	-	-	-	-
Buses	7	-	-	-	-	-	-	-	-	-
Clinics		-	-	-	-	-	-	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-	-	-
Cemeteries		-	-	-	-	-	-	-	-	-
Social rental housing	8	-	-	-	-	-	-	-	-	-
Other		-	-	750	710	652	652	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings		-	-	-	-	-	-	-	-	-
Other	9	-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Housing development		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Other assets		5 176	7 981	3 807	8 518	11 339	11 339	3 340	6 578	6 921
General vehicles		2 390	883	251	2 500	2 562	2 562	1 920	2 710	700
Specialised vehicles		-	1 344	-	800	710	710	-	1 550	-
Plant & equipment		1 184	1 169	860	850	1 035	1 035	720	1 122	1 207
Computers - hardware/equipment		394	1 268	-	570	1 320	1 320	390	637	684
Furniture and other office equipment		921	260	444	316	422	422	310	309	330
Abattoirs		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Civic Land and Buildings		165	2 908	2 252	3 232	5 040	5 040	-	-	-
Other Buildings		121	149	-	250	250	250	-	250	4 000
Other Land		-	-	-	-	-	-	-	-	-
Surplus Assets - (Investment or Inventory)		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class		-	-	-	-	-	-	-	-	-
Intangibles		-	-	-	-	-	-	-	-	-
Computers - softw are & programming		-	-	-	-	-	-	-	-	-
Other (list sub-class)		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing	1	21 845	35 188	13 915	33 669	43 398	43 398	19 848	23 060	13 050
Specialised vehicles		-	1 344	-	800	710	710	-	1 550	-
Refuse		-	781	-	-	-	-	-	800	-
Fire		-	564	-	800	710	710	-	750	-
Conservancy		-	-	-	-	-	-	-	-	-
Ambulances		-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	29.4%	33.8%	21.8%
Renewal of Existing Assets as % of deprecn"		116.1%	23.6%	65.1%	142.3%	183.5%	183.5%	70.4%	83.3%	47.9%

The previous tables outline the Capital Programme based on Asset Classification as per GRAP 17 (New Assets and Renewal of Existing Assets).

The capital budget for 2014/15 is R67.6 million. The majority of the capital budget is for trading services (54%) and community and public safety which includes infrastructure for the housing programme (36%).

Section 19 - Legislation Compliance Status

The disclosure on legislation compliance must provide a brief summary of the status of the implementation of legislation applicable to municipalities, including progress made or delays experienced in implementation.

Municipal Finance Management Act - No 56 of 2003

The MFMA became effective on 1st July 2004. The Act modernises budget and financial management practices within the overall objective of maximising the capacity of municipalities to deliver services.

The MFMA covers all aspects of municipal finance including budgeting, supply chain management and financial reporting.

The various sections of the Act are phased in according to the designated financial management capacity of municipalities. Knysna has been designated as a medium capacity municipality.

The MFMA is the foundation of the municipal financial management reforms which municipalities are implementing. Knysna was designated as a pilot municipality for the reforms and is engaged in a partnership arrangement with National Treasury.

The MFMA and the budget

The following explains the budgeting process in terms of the requirements in the MFMA. It is based on National Treasury's guide to the MFMA.

The budget preparation process

The Mayor must lead the budget preparation process through a co-ordinated cycle of events that commences at least ten months prior to the start of each financial year.

Overview

The MFMA requires a Council to adopt three-year capital and operating budgets that take into account, and are linked to, the municipality's current and future development priorities and other finance-related policies (such as those relating to free basic service provision).

These budgets must clearly set out revenue by source and expenditure by vote over three years and must be accompanied by performance objectives for revenue and expenditure, a cash flow statement and any particulars on borrowings, investments, municipal entities, service delivery agreements, grant allocations and details of employment costs.

The budget may be funded only from reasonable estimates of revenue and cash-backed surplus funds from the previous year and borrowings (the latter for capital items only).

Budget preparation timetable

The budget preparation timetable is prepared by senior management and tabled by the Mayor for Council adoption by 31 August (ten months before the commencement of the next budget year).

Budget preparation and review of IDP and policy

The Mayor must co-ordinate the budget preparation process and the review of Council's IDP and budget-related policy, with the assistance of the municipal manager.

The Mayor must ensure that the IDP review forms an integral part of the budget process and that any changes to strategic priorities as contained in the IDP document have realistic projections of revenue and expenditure. In developing the budget, the management must take into account national and provincial budgets, the national fiscal and macro-economic policy and other relevant agreements or Acts of Parliament. The Mayor must consult with the relevant district Council and all other local municipalities in that district as well as the relevant provincial treasury and the National Treasury when preparing the budget, and must provide the National Treasury and other government departments with certain information on request.

Tabling of the draft budget

The initial draft budget must be tabled by the Mayor before Council for review by 31 March. The draft budget for 2014/2015 was tabled on 27 March.

Publication of the draft budget

Once tabled at Council, the Municipal Manager must make public the appropriate budget documentation and submit it to National Treasury and the relevant provincial treasury and any other government departments as required. At this time, the local community must be invited to submit representations on what is contained in the budget.

Opportunity to comment on draft budget

When the draft budget is tabled, Council must consider the views of the local community, the National Treasury and the relevant provincial treasury and other municipalities and government departments that may have made submissions on the budget.

Opportunity for revisions to draft budget

After considering all views and submissions, Council must provide an opportunity for the Mayor to respond to the submissions received and if necessary to revise the budget and table amendments for Council's consideration. Annexure 6 is the Mayor's report on the submissions received and responses.

Following the tabling of the draft budget at the end of March, the months of April and May should be used to accommodate public and government comment and to make any revisions that may be necessary. This may take the form of public hearings, Council debates, formal or informal delegations to the National Treasury, provincial treasury and other municipalities, or any other consultative forums designed to address stakeholder priorities.

Adoption of the annual budget

The Council must consider the approval of the budget by 31 May and must formally adopt the budget by 30 June. This provides a 30-day window for Council to revise the budget several times before its final approval.

If a Council fails to approve its budget at its first meeting, it must reconsider it, or an amended draft, again within seven days and it must continue to do so until it is finally approved - before 1 July.

Once approved, the Municipal Manager must place the budget on the municipality's website within five days.

Budget Implementation

Implementation management - the Service Delivery and Budget Implementation Plan (SDBIP)

The Municipal Manager must within fourteen days of the approval of the annual budget (by 14 July at the latest) submit to the Mayor for approval a draft SDBIP and draft annual performance agreements for all pertinent senior staff.

An SDBIP is a detailed plan for implementing the delivery of municipal services contemplated in the annual budget and should indicate monthly revenue and expenditure projections and quarterly service delivery targets and performance indicators.

The Mayor must approve the draft SDBIP within 28 days of the approval of the annual budget (by 28 July at the latest).

This plan must then be monitored by the Mayor and reported on to Council on a regular basis. Colossal

Managing the implementation process

The Municipal Manager is responsible for implementation of the budget and must take steps to ensure that all spending is in accordance with the budget and that revenue and expenditure are properly monitored.

Variation from budget estimates

Generally, Councils may incur expenditure only if it is in terms of the budget, within the limits of the amounts appropriated against each budget vote - and in the case of capital expenditure, only if Council has approved the project.

Expenditure incurred outside of these parameters may be considered to be unauthorised or, in some cases, irregular or fruitless and wasteful. Unauthorised expenditure must be reported and may result in criminal proceedings.

Revision of budget estimates - the adjustments budget

It may be necessary on occasion for a Council to consider a revision of its original budget, owing to material and significant changes in revenue collections, expenditure patterns, or forecasts thereof for the remainder of the financial year.

In such cases a municipality may adopt an adjustments budget, prepared by the Municipal Manager and submitted to the Mayor for consideration and tabling at Council for adoption.

The adjustments budget must contain certain prescribed information, it may not result in further increases in taxes and tariffs and it must contain appropriate justifications and supporting material when approved by Council.

Requirements of the MFMA relating to the contents of annual budgets and supporting documentation

Section 17 of the MFMA stipulates that an annual budget of a municipality must be a schedule in the prescribed format and sets out what must be included in that format. The various tables detailed in Section 4 and those additionally attached comply with the disclosure requirements.

Other Legislation

In addition to the MFMA, the following legislation also influences Municipality budgeting;

The Division of Revenue Act 2010 and Provincial Budget Announcements

Three year national allocations to local government are published per municipality each year in the Division of Revenue Act. The Act places duties on municipalities in addition to the requirements of the MFMA, specifically with regard to reporting obligations.

Allocations to the Municipality from Provincial Government are announced and published in the Provincial budget.

Section 18 of the MFMA states that annual budgets may only be funded from reasonably anticipated revenues to be collected. The provision in the budget for allocations from National and Provincial Government should reflect the allocations announced in the DORA or in the relevant Provincial Gazette.

The Municipal Systems Act - No 32 of 2000 and Municipal Systems Amendment Act no 44 of 2003

One of the key objectives of the Municipal Systems Act is to ensure financially and economically viable communities. The requirements of the Act link closely to those of the MFMA. In particular, the following requirements need to be taken into consideration in the budgeting process;

- Chapters 4 & 5 consider community participation and the IDP.
- Chapter 6 links the budget to measurable performance objectives and targets in the Service Delivery and Budget Implementation Plan.
- Chapter 8 relates to the requirement to produce a tariff policy.

Section 20 - Other supporting documents

Various supporting documents are attached to enable the reader a fuller understanding of the various processes involved. These are the following:

Annexure 1 - Main Budget Tables

Tables A1 to A10

Annexure 2 - Supporting Budget Tables

Supporting Tables SA1 to SA37

Annexure 3 - Tariffs, Charges and Fees for 2014/2015

The average increases for 2014/2015 are:

Service	Domestic	Non-domestic
Assessment rate in Rand	7.5%	7.5%
Refuse	8%	8%
Sanitation	8%	8%
Water	7%	7%
Electricity	*7.39% on average	*7.39% on average
<i>* See tariff schedule for full detail</i>		

Annexure 4

Municipal Budget Circular for the 2014/15 MTREF - MFMA Circulars 70 & 72

Annexure 5- Policies

- Budget
- Cash, liability & investment management
- Credit control
- Funding & reserves
- Indigent relief & social rebates
- Property rates
- Supply chain management
- Tariff

Annexure 6

Mayor's report on responses to budget submissions received

Annexure 7

Draft Service Delivery and Budget Implementation Plan (SDBIP)

Section 21 - Municipal Manager's Quality Certification

An annual budget and supporting documentation must be covered by a quality certificate in the format as per page 68 of the Government Gazette 32141 - 17 April 2009.

QUALITY CERTIFICATE

I, Lauren Waring, Municipal Manager of Knysna Municipality, hereby certify that the annual budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Lauren Waring

Municipal Manager of Knysna Municipality (WC048)

Signature 

Date 27/3/14

Knysna Municipality



Annexure 1

Main budget tables

2014/2015 - 2016/2017

Medium Term

Revenue and Expenditure

Framework (MTREF)



WC048 Knysna - Table A1 Budget Summary

Description	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousands										
<u>Financial Performance</u>										
Property rates	118 810	127 721	142 458	155 182	149 182	149 182	149 182	162 261	169 993	180 193
Service charges	202 018	226 549	241 302	256 197	254 697	254 697	254 697	272 586	290 487	309 567
Investment revenue	5 915	6 667	6 589	8 309	7 809	7 809	7 809	2 346	3 251	7 061
Transfers recognised - operational	62 943	89 231	83 819	81 877	83 347	83 347	83 347	68 879	100 612	116 249
Other own revenue	70 203	57 277	35 501	26 557	26 557	26 557	26 557	30 730	32 207	33 572
Total Revenue (excluding capital transfers and contributions)	459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Employee costs	125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
Remuneration of councillors	4 588	5 619	5 908	6 348	6 348	6 348	6 348	6 665	6 998	7 346
Depreciation & asset impairment	18 823	148 838	21 370	23 655	23 655	23 655	23 655	28 199	27 683	27 262
Finance charges	17 193	16 694	14 882	17 055	13 755	13 755	13 755	18 500	18 200	18 001
Materials and bulk purchases	100 201	124 415	140 439	142 946	143 543	143 543	143 543	153 843	165 975	177 242
Transfers and grants	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Other expenditure	130 692	251 768	153 559	168 055	163 928	163 928	163 928	157 803	172 955	178 254
Total Expenditure	402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit)	57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Transfers recognised - capital	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Contributions recognised - capital & contributed assets	–	777	695	3 717	3 717	3 717	3 717	–	–	–
Surplus/(Deficit) after capital transfers & contributions	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Share of surplus/ (deficit) of associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
<u>Capital expenditure & funds sources</u>										
Capital expenditure	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Transfers recognised - capital	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Public contributions & donations	–	777	41	3 717	3 717	3 717	3 717	–	–	–
Borrowing	9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Internally generated funds	6 610	15 768	20 978	13 870	20 657	20 657	20 657	12 895	19 270	15 015
Total sources of capital funds	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
<u>Financial position</u>										
Total current assets	131 968	129 858	131 510	109 589	117 550	117 550	117 550	124 007	142 781	190 161
Total non current assets	943 005	859 583	912 667	957 548	974 966	974 966	974 966	1 016 064	1 058 535	1 093 085
Total current liabilities	89 502	94 692	105 418	93 418	109 662	109 662	109 662	117 274	125 427	134 158
Total non current liabilities	231 714	236 725	223 267	231 274	220 247	220 247	220 247	228 039	236 018	244 348
Community wealth/Equity	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741
<u>Cash flows</u>										
Net cash from (used) operating	89 897	68 828	74 264	79 809	80 118	80 118	80 118	64 497	77 507	97 558
Net cash from (used) investing	(54 777)	(62 490)	(71 476)	(78 125)	(85 759)	(85 759)	(85 759)	(69 051)	(69 859)	(61 466)
Net cash from (used) financing	5 411	(8 144)	(17 740)	(6 191)	(9 953)	(9 953)	(9 953)	759	851	923
Cash/cash equivalents at the year end	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286
<u>Cash backing/surplus reconciliation</u>										
Cash and investments available	72 767	72 887	65 186	72 344	50 733	50 733	50 733	48 753	59 230	98 403
Application of cash and investments	39 685	41 492	17 883	63 095	32 193	32 193	24 110	36 558	43 774	56 318
Balance - surplus (shortfall)	33 081	31 395	47 303	9 249	18 540	18 540	26 623	12 195	15 456	42 085
<u>Asset management</u>										
Asset register summary (WDV)	924 682	839 134	890 669	925 136	922 251	929 205	968 611	968 611	1 009 233	1 041 759
Depreciation & asset impairment	18 823	148 838	21 370	23 655	23 655	23 655	28 199	28 199	27 683	27 262
Renewal of Existing Assets	21 845	35 188	13 915	33 669	43 398	43 398	43 398	19 848	23 060	13 050
Repairs and Maintenance	18 091	22 025	22 515	34 713	28 538	28 538	37 443	37 443	39 967	42 100
<u>Free services</u>										
Cost of Free Basic Services provided	–	–	–	–	–	–	–	–	–	–
Revenue cost of free services provided	30 362	34 335	40 481	38 827	38 827	38 827	38 827	38 827	40 761	44 252
<u>Households below minimum service level</u>										
Water:	–	–	–	–	–	–	–	–	–	–
Sanitation/sewerage:	–	–	–	–	–	–	–	–	–	–
Energy:	–	–	–	–	–	–	–	–	–	–
Refuse:	0	0	–	–	–	–	–	–	–	–

WC048 Knysna - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Revenue - Standard										
<i>Governance and administration</i>		190 855	187 031	168 431	177 884	172 951	172 951	181 479	192 509	208 204
Executive and council		56 626	37 772	10 138	6 938	7 738	7 738	6 414	8 450	9 599
Budget and treasury office		127 852	137 945	152 983	166 942	161 078	161 078	170 300	179 056	193 349
Corporate services		6 377	11 313	5 310	4 004	4 135	4 135	4 765	5 003	5 256
<i>Community and public safety</i>		44 459	71 761	78 960	68 814	68 814	68 814	57 861	73 720	79 681
Community and social services		1 275	1 466	2 168	9 313	9 313	9 313	8 691	8 183	7 397
Sport and recreation		873	1 031	831	1 011	1 011	1 011	1 071	1 136	1 204
Public safety		2 539	7 828	14 224	12 008	12 008	12 008	17 157	16 515	17 783
Housing		39 772	61 435	61 735	46 483	46 483	46 483	30 941	47 886	53 297
Health		—	0	1	—	—	—	—	—	—
<i>Economic and environmental services</i>		6 723	7 748	7 057	21 244	21 460	21 460	9 459	7 915	7 348
Planning and development		1 869	1 893	1 618	3 226	3 226	3 226	3 374	2 507	2 647
Road transport		4 764	5 855	5 439	18 018	18 234	18 234	6 085	5 408	4 701
Environmental protection		90	—	—	—	—	—	—	—	—
<i>Trading services</i>		255 563	272 361	296 939	306 783	305 283	305 283	327 452	358 807	385 214
Electricity		146 953	172 645	188 048	199 912	198 412	198 412	209 120	226 265	241 854
Water		68 900	50 357	60 212	66 685	66 685	66 685	72 858	77 496	85 414
Waste water management		21 278	28 846	27 601	17 024	17 024	17 024	19 315	25 548	26 076
Waste management		18 431	20 513	21 079	23 162	23 162	23 162	26 158	29 498	31 870
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Revenue - Standard	2	497 599	538 900	551 387	574 725	568 508	568 508	576 250	632 951	680 447
Expenditure - Standard										
<i>Governance and administration</i>		108 833	336 097	123 051	140 875	139 053	139 053	148 072	160 454	168 979
Executive and council		35 046	256 819	37 775	35 699	35 889	35 889	38 040	40 309	42 171
Budget and treasury office		25 918	30 939	30 784	40 444	39 277	39 277	40 466	46 000	48 753
Corporate services		47 869	48 338	54 492	64 733	63 887	63 887	69 566	74 145	78 055
<i>Community and public safety</i>		84 803	105 799	106 130	91 013	91 545	91 545	77 330	88 474	89 030
Community and social services		8 420	8 774	9 600	11 212	10 596	10 596	13 360	15 555	16 458
Sport and recreation		10 513	11 719	12 957	12 824	12 981	12 981	12 807	13 694	14 433
Public safety		17 254	21 164	26 233	24 055	25 047	25 047	24 729	26 803	28 227
Housing		45 458	60 762	53 526	38 330	38 330	38 330	21 085	26 706	23 874
Health		3 159	3 381	3 815	4 591	4 591	4 591	5 349	5 715	6 038
<i>Economic and environmental services</i>		25 601	30 270	30 933	43 402	42 874	42 874	45 186	47 429	49 742
Planning and development		5 440	6 461	7 401	10 248	10 008	10 008	10 118	10 831	11 474
Road transport		19 292	22 783	22 281	31 773	31 485	31 485	33 896	35 021	36 599
Environmental protection		869	1 026	1 251	1 381	1 381	1 381	1 172	1 578	1 670
<i>Trading services</i>		183 118	220 366	233 579	257 200	247 768	247 768	273 512	291 480	307 827
Electricity		110 317	136 788	153 292	178 816	170 260	170 260	181 567	194 772	206 862
Water		35 152	40 187	41 917	39 204	38 246	38 246	46 432	48 397	50 393
Waste water management		15 259	21 495	17 653	18 663	18 617	18 617	20 262	21 249	22 100
Waste management		22 390	21 896	20 716	20 516	20 645	20 645	25 251	27 062	28 473
<i>Other</i>	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Standard	3	402 355	692 532	493 692	532 490	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit) for the year		95 245	(153 632)	57 695	42 235	47 268	47 268	32 151	45 114	64 869

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by standard classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Standard Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a standard classification (modified GFS). The GFS function 'Other' is only for Abbatoirs, Air Transport, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification

WC048 Knysna - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue by Vote	1									
Vote 1 - Executive & Council		56 626	37 772	10 138	6 938	7 738	7 738	6 414	8 450	9 599
Vote 2 - Corporate Services		2 664	2 668	3 614	3 190	3 263	3 263	3 345	3 532	3 730
Vote 3 - Financial Services		128 001	138 068	153 062	166 969	161 105	161 105	170 373	179 130	193 425
Vote 4 - Strategic Services		154	0	—	—	—	—	—	—	—
Vote 5 - Planning & Development		44 042	71 095	63 353	49 708	49 708	49 708	34 315	50 393	55 944
Vote 6 - Community Services		27 827	35 538	43 585	49 254	49 312	49 312	55 685	59 569	62 262
Vote 7 - Electrical Services		147 030	172 687	188 138	200 412	198 912	198 912	211 020	226 767	242 831
Vote 8 - Technical Services		91 256	81 072	89 497	98 254	98 470	98 470	95 097	105 110	112 656
Total Revenue by Vote	2	497 599	538 900	551 387	574 725	568 508	568 508	576 250	632 951	680 447
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		35 046	256 819	37 775	35 699	35 889	35 889	38 040	40 309	42 171
Vote 2 - Corporate Services		16 244	18 642	24 093	24 768	25 524	25 524	26 443	27 766	29 224
Vote 3 - Financial Services		30 872	36 648	38 105	50 391	48 371	48 371	52 430	58 337	61 732
Vote 4 - Strategic Services		3 048	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		55 113	71 758	64 596	54 355	54 217	54 217	36 390	44 433	42 598
Vote 6 - Community Services		69 546	75 316	81 283	81 985	82 712	82 712	90 728	98 833	104 204
Vote 7 - Electrical Services		115 362	141 864	159 178	185 779	177 240	177 240	189 015	202 654	215 163
Vote 8 - Technical Services		77 124	91 484	88 663	99 513	97 286	97 286	111 054	115 506	120 486
Total Expenditure by Vote	2	402 355	692 532	493 692	532 490	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit) for the year	2	95 245	(153 632)	57 695	42 235	47 268	47 268	32 151	45 114	64 869

References

1. Insert 'Vote'; e.g. department, if different to standard classification structure
2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)
3. Assign share in 'associate' to relevant Vote

WC048 Knysna - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Revenue By Source											
Property rates	2	116 791	125 364	139 970	152 574	146 574	146 574	146 574	159 457	167 021	177 042
Property rates - penalties & collection charges		2 019	2 356	2 487	2 608	2 608	2 608	2 608	2 804	2 972	3 150
Service charges - electricity revenue	2	138 946	160 116	172 199	182 411	180 911	180 911	180 911	193 213	206 352	220 384
Service charges - water revenue	2	37 925	40 656	43 078	45 492	45 492	45 492	45 492	48 904	51 838	54 948
Service charges - sanitation revenue	2	9 121	9 632	10 232	10 619	10 619	10 619	10 619	11 469	12 157	12 886
Service charges - refuse revenue	2	12 715	13 179	13 459	14 281	14 281	14 281	14 281	15 352	16 274	17 250
Service charges - other		3 310	2 966	2 334	3 393	3 393	3 393	3 393	3 648	3 867	4 099
Rental of facilities and equipment		4 069	3 500	3 545	4 745	4 745	4 745	4 745	5 030	5 331	5 651
Interest earned - external investments		5 915	6 667	6 589	8 309	7 809	7 809	7 809	2 346	3 251	7 061
Interest earned - outstanding debtors		3 873	4 551	3 237	3 192	3 192	3 192	3 192	3 250	3 413	3 582
Dividends received		—	—	—	—	—	—	—	—	—	—
Fines		2 338	7 677	13 964	11 369	11 369	11 369	11 369	15 111	15 867	16 659
Licences and permits		1 719	1 843	1 674	1 902	1 902	1 902	1 902	1 998	2 097	2 202
Agency services		1 716	1 774	1 809	1 700	1 700	1 700	1 700	1 800	1 890	1 985
Transfers recognised - operational		62 943	89 231	83 819	81 877	83 347	83 347	83 347	68 879	100 612	116 249
Other revenue	2	54 946	37 889	8 455	3 449	3 449	3 449	3 449	3 291	3 309	3 142
Gains on disposal of PPE		1 541	43	2 816	200	200	200	200	250	300	350
Total Revenue (excluding capital transfers and contributions)		459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Expenditure By Type											
Employee related costs	2	125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
Remuneration of councillors		4 588	5 619	5 908	6 348	6 348	6 348	6 348	6 665	6 998	7 346
Debt impairment	3	15 952	25 142	20 480	28 454	28 454	28 454	28 454	25 196	26 746	28 443
Depreciation & asset impairment	2	18 823	148 838	21 370	23 655	23 655	23 655	23 655	28 199	27 683	27 262
Finance charges		17 193	16 694	14 882	17 055	13 755	13 755	13 755	18 500	18 200	18 001
Bulk purchases	2	85 586	107 621	122 262	127 000	127 000	127 000	127 000	137 236	148 297	158 678
Other materials	8	14 615	16 794	18 177	15 946	16 543	16 543	16 543	16 607	17 678	18 564
Contracted services		13 063	15 363	17 128	20 452	19 714	19 714	19 714	22 360	23 794	25 004
Transfers and grants		5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Other expenditure	4, 5	101 139	210 757	113 962	119 149	115 761	115 761	115 761	110 247	122 416	124 807
Loss on disposal of PPE		538	506	1 989	—	—	—	—	—	—	—
Total Expenditure		402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit)											
Transfers recognised - capital	6	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Contributions recognised - capital		—	777	695	3 717	3 717	3 717	3 717	—	—	—
Contributed assets		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after capital transfers & contributions		95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Taxation		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) after taxation		95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Attributable to minorities		—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) attributable to municipality		95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Share of surplus/ (deficit) of associate	7	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year		95 245	(153 632)	57 695	42 235	47 267 600.00	47 268	47 268	32 151	45 114	64 869

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method
8. All materials not part of 'bulk' e.g. road making materials, pipe, cable etc.

WC048 Knysna - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		—	535	—	1 730	1 930	1 930	1 930	—	—	—
Vote 2 - Corporate Services		—	—	—	—	—	—	—	—	—	—
Vote 3 - Financial Services		—	1 063	450	1 502	1 630	1 630	1 630	—	—	—
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		4 015	10 856	—	14 000	14 000	14 000	14 000	18 000	13 500	10 125
Vote 6 - Community Services		—	—	—	—	—	—	—	830	1 350	1 000
Vote 7 - Electrical Services		1 098	6 011	—	1 500	1 500	1 500	1 500	3 900	6 500	8 000
Vote 8 - Technical Services		16 995	16 066	5 381	13 073	13 473	13 473	13 473	15 880	17 572	15 634
Capital multi-year expenditure sub-total	7	22 108	34 531	5 831	31 805	32 533	32 533	32 533	38 610	38 922	34 759
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		354	532	3 214	2 048	3 284	3 284	3 284	1 090	52	59
Vote 2 - Corporate Services		202	240	76	80	119	119	119	40	31	34
Vote 3 - Financial Services		3 233	1 739	4 857	642	1 833	1 833	1 833	590	833	761
Vote 4 - Strategic Services		—	—	—	—	—	—	—	—	—	—
Vote 5 - Planning & Development		3 164	3 788	12 232	4 617	4 617	4 617	4 617	275	534	68
Vote 6 - Community Services		587	2 599	4 216	13 277	14 328	14 328	14 328	8 462	12 796	10 702
Vote 7 - Electrical Services		4 431	7 099	15 939	14 456	20 002	20 002	20 002	9 491	8 399	3 948
Vote 8 - Technical Services		20 135	9 790	25 784	9 034	8 216	8 216	8 216	9 043	6 733	9 453
Capital single-year expenditure sub-total		32 106	25 787	66 318	44 154	52 399	52 399	52 399	28 991	29 378	25 025
Total Capital Expenditure - Vote		54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Capital Expenditure - Standard											
Governance and administration		7 766	12 819	9 299	6 633	9 706	9 706	9 706	2 220	2 003	1 786
Executive and council		354	1 067	3 214	3 778	5 214	5 214	5 214	1 090	52	59
Budget and treasury office		634	1 256	1 515	1 569	1 884	1 884	1 884	200	76	77
Corporate services		6 777	10 496	4 570	1 286	2 608	2 608	2 608	930	1 875	1 650
Community and public safety		6 561	8 005	14 476	27 149	28 106	28 106	28 106	23 779	22 212	20 404
Community and social services		58	253	1 492	10 099	9 986	9 986	9 986	4 659	5 112	2 509
Sport and recreation		—	26	792	500	1 180	1 180	1 180	770	2 030	770
Public safety		908	934	—	2 100	2 490	2 490	2 490	350	1 570	7 000
Housing		5 595	6 792	12 192	14 450	14 450	14 450	14 450	18 000	13 500	10 125
Health		—	—	—	—	—	—	—	—	—	—
Economic and environmental services		1 470	5 370	1 828	11 068	10 634	10 634	10 634	4 474	3 846	450
Planning and development		1	—	—	—	—	—	—	—	—	—
Road transport		1 456	5 370	1 828	6 951	6 517	6 517	6 517	4 224	3 596	450
Environmental protection		13	—	—	4 117	4 117	4 117	4 117	250	250	—
Trading services		38 417	34 123	46 546	31 109	36 486	36 486	36 486	37 128	40 239	37 144
Electricity		4 717	13 054	15 939	15 956	21 422	21 422	21 422	13 341	14 899	11 948
Water		25 869	5 285	11 321	13 603	12 593	12 593	12 593	18 574	17 027	17 550
Waste water management		7 712	14 820	17 786	1 550	2 471	2 471	2 471	2 040	3 523	6 646
Waste management		120	963	1 500	—	—	—	—	3 173	4 790	1 000
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Standard	3	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Funded by:											
National Government		33 163	27 112	26 383	24 969	24 969	24 969	24 969	21 317	22 901	23 680
Provincial Government		3 457	3 328	14 472	17 916	18 171	18 171	18 171	18 132	13 500	10 125
District Municipality		200	—	—	—	—	—	—	—	—	—
Other transfers and grants		891	239	169	—	58	58	58	—	—	—
Transfers recognised - capital	4	37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Public contributions & donations	5	—	777	41	3 717	3 717	3 717	3 717	—	—	—
Borrowing	6	9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Internally generated funds		6 610	15 768	20 978	13 870	20 657	20 657	20 657	12 895	19 270	15 015
Total Capital Funding	7	54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by standard classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Must reconcile to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

WC048 Knysna - Table A6 Budgeted Financial Position

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Current assets											
Cash		26 231	25 161	22 885	12 963	12 566	12 566	12 566	11 771	18 270	50 286
Call investment deposits	1	31 078	30 342	23 276	30 000	18 000	18 000	18 000	15 000	17 000	22 000
Consumer debtors	1	62 932	62 765	67 199	60 670	69 311	69 311	69 311	78 373	87 373	96 373
Other debtors		7 370	3 424	9 497	3 561	10 256	10 256	10 256	11 077	11 963	12 920
Current portion of long-term receivables		63	202	115	70	120	120	120	125	130	135
Inventory	2	4 294	7 965	8 540	2 324	7 297	7 297	7 297	7 661	8 044	8 447
Total current assets		131 968	129 858	131 510	109 589	117 550	117 550	117 550	124 007	142 781	190 161
Non current assets											
Long-term receivables		467	633	456	380	2 853	2 853	2 853	2 734	2 609	2 480
Investments		15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Investment property		198 067	130 649	130 645	134 998	130 645	130 645	130 645	130 645	130 645	130 645
Investment in Associate		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	3	725 797	685 074	736 291	789 510	797 610	797 610	797 610	837 066	877 737	910 311
Agricultural		–	–	–	–	–	–	–	–	–	–
Biological		–	–	–	–	–	–	–	–	–	–
Intangible		818	669	992	627	950	950	950	900	851	803
Other non-current assets		2 398	25 173	25 259	2 652	22 741	22 741	22 741	22 738	22 734	22 730
Total non current assets		943 005	859 583	912 667	957 548	974 966	974 966	974 966	1 016 064	1 058 535	1 093 085
TOTAL ASSETS		1 074 973	989 441	1 044 178	1 067 137	1 092 516	1 092 516	1 092 516	1 140 072	1 201 316	1 283 246
LIABILITIES											
Current liabilities											
Bank overdraft	1	–	–	–	–	–	–	–	–	–	–
Borrowing	4	17 181	17 259	18 130	16 030	19 580	19 580	19 580	21 147	22 838	24 666
Consumer deposits		9 103	9 289	9 658	11 852	10 431	10 431	10 431	11 265	12 166	13 140
Trade and other payables	4	42 729	49 338	55 980	48 721	58 001	58 001	58 001	61 481	65 170	69 080
Provisions		20 490	18 806	21 650	16 816	21 650	21 650	21 650	23 382	25 252	27 272
Total current liabilities		89 502	94 692	105 418	93 418	109 662	109 662	109 662	117 274	125 427	134 158
Non current liabilities											
Borrowing		159 162	149 548	129 597	134 396	117 421	117 421	117 421	115 779	114 038	112 161
Provisions		72 552	87 176	93 670	96 878	102 826	102 826	102 826	112 260	121 980	132 187
Total non current liabilities		231 714	236 725	223 267	231 274	220 247	220 247	220 247	228 039	236 018	244 348
TOTAL LIABILITIES		321 216	331 417	328 685	324 693	329 908	329 908	329 908	345 313	361 445	378 505
NET ASSETS	5	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		734 142	595 454	653 100	647 283	692 855	692 855	692 855	709 403	743 904	793 150
Reserves	4	19 615	62 571	62 393	95 162	69 752	69 752	69 752	85 355	95 968	111 591
Minorities' interests		–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	753 757	658 025	715 493	742 444	762 608	762 608	762 608	794 758	839 872	904 741

References

- 1. Detail to be provided in Table SA3
- 2. Include completed low cost housing to be transferred to beneficiaries within 12 months
- 3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements)
- 4. Detail to be provided in Table SA3. Includes reserves to be funded by statute.
- 5. Net assets must balance with Total Community Wealth/Equity

WC048 Knysna - Table A7 Budgeted Cash Flows

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Ratepayers and other			329 207	351 935	387 814	411 608	397 459	397 459	397 459	426 998	452 342	481 000
Government - operating	1		62 943	88 663	83 819	81 877	83 087	83 087	83 087	68 879	100 612	116 249
Government - capital	1		37 711	29 353	41 023	42 885	42 924	42 924	42 924	39 449	36 401	33 805
Interest			5 915	6 667	6 589	10 764	11 001	11 001	11 001	5 596	6 664	10 643
Dividends			—	—	—	—	—	—	—	—	—	—
Payments												
Suppliers and employees			(322 843)	(385 320)	(424 495)	(446 677)	(434 976)	(434 976)	(434 976)	(452 221)	(494 461)	(520 222)
Finance charges			(17 193)	(16 686)	(14 876)	(15 006)	(13 755)	(13 755)	(13 755)	(18 500)	(18 200)	(18 001)
Transfers and Grants	1		(5 843)	(5 784)	(5 610)	(5 642)	(5 622)	(5 622)	(5 622)	(5 704)	(5 851)	(5 916)
NET CASH FROM/(USED) OPERATING ACTIVITIES			89 897	68 828	74 264	79 809	80 118	80 118	80 118	64 497	77 507	97 558
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1 541	43	2 881	200	200	200	200	250	300	350
Decrease (Increase) in non-current debtors			—	—	—	—	—	—	—	—	—	—
Decrease (increase) other non-current receivables			729	—	—	60	115	115	115	115	120	125
Decrease (increase) in non-current investments			(3 203)	(2 437)	128	(2 426)	(1 142)	(1 142)	(1 142)	(1 815)	(1 978)	(2 156)
Payments												
Capital assets			(53 845)	(60 096)	(74 484)	(75 959)	(84 932)	(84 932)	(84 932)	(67 601)	(68 300)	(59 784)
NET CASH FROM/(USED) INVESTING ACTIVITIES			(54 777)	(62 490)	(71 476)	(78 125)	(85 759)	(85 759)	(85 759)	(69 051)	(69 859)	(61 466)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans			—	—	—	—	—	—	—	—	—	—
Borrowing long term/refinancing			20 111	8 254	—	11 944	17 360	17 360	17 360	15 257	12 629	10 964
Increase (decrease) in consumer deposits			629	185	369	1 077	773	773	773	834	901	973
Payments												
Repayment of borrowing			(15 329)	(16 583)	(18 110)	(19 212)	(28 086)	(28 086)	(28 086)	(15 332)	(12 679)	(11 014)
NET CASH FROM/(USED) FINANCING ACTIVITIES			5 411	(8 144)	(17 740)	(6 191)	(9 953)	(9 953)	(9 953)	759	851	923
NET INCREASE/ (DECREASE) IN CASH HELD												
Cash/cash equivalents at the year begin:	2		16 778	57 309	55 503	47 470	46 161	46 161	46 161	30 566	26 771	35 270
Cash/cash equivalents at the year end:	2		57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286

References

1. Local/District municipalities to include transfers from/to District/Local Municipalities

2. Cash equivalents includes investments with maturities of 3 months or less

0.00 0.00 0.00

WC048 Knysna - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286
Other current investments > 90 days		0	(0)	5 610	(0)	0	0	0	(0)	(0)	(0)
Non current assets - Investments	1	15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Cash and investments available:		72 767	72 887	65 186	72 344	50 733	50 733	50 733	48 753	59 230	98 403
Application of cash and investments											
Unspent conditional transfers		5 634	2 137	1 262	—	—	—	—	—	—	—
Unspent borrowing		21 700	17 243	—	—	8 083	8 083	—	—	—	—
Statutory requirements	2	—	—	—	—	—	—	—	—	—	—
Other working capital requirements	3	(22 721)	(9 948)	(17 129)	(13 554)	(18 140)	(18 140)	(18 140)	(23 110)	(28 485)	(33 721)
Other provisions		—	—	—	—	—	—	—	—	—	—
Long term investments committed	4	15 458	17 385	19 025	29 381	20 167	20 167	20 167	21 982	23 960	26 116
Reserves to be backed by cash/investments	5	19 615	14 676	14 725	47 268	22 084	22 084	22 084	37 687	48 299	63 923
Total Application of cash and investments:		39 685	41 492	17 883	63 095	32 193	32 193	24 110	36 558	43 774	56 318
Surplus(shortfall)		33 081	31 395	47 303	9 249	18 540	18 540	26 623	12 195	15 456	42 085

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

WC048 Knysna - Table A9 Asset Management

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	32 368	25 129	58 234	42 290	41 534	41 534	47 753	45 240	46 734
Infrastructure - Road transport		1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450
Infrastructure - Electricity		2 658	5 387	10 596	8 752	8 939	8 939	7 421	9 072	11 489
Infrastructure - Water		19 823	1 034	9 920	10 580	9 909	9 909	11 013	8 314	13 421
Infrastructure - Sanitation		—	—	15 466	700	700	700	1 400	3 273	6 646
Infrastructure - Other		1 399	7 968	—	—	216	216	1 830	2 050	1 000
Infrastructure		25 336	19 391	37 648	26 133	25 865	25 865	23 443	23 955	33 006
Community		3 087	3 345	14 624	16 065	15 360	15 360	20 062	16 653	12 704
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	3 945	2 394	5 962	92	309	309	4 248	4 632	1 024
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Total Renewal of Existing Assets	2	21 845	35 188	13 915	33 669	43 398	43 398	19 848	23 060	13 050
Infrastructure - Road transport		—	—	162	4 517	4 517	4 517	—	—	—
Infrastructure - Electricity		3 483	9 568	5 100	6 746	11 986	11 986	5 000	5 000	—
Infrastructure - Water		5 481	4 235	308	3 023	2 684	2 684	7 561	8 713	3 129
Infrastructure - Sanitation		7 705	13 030	2 320	400	1 321	1 321	—	—	—
Infrastructure - Other		—	52	—	—	—	—	—	—	—
Infrastructure		16 669	26 885	7 890	14 686	20 508	20 508	12 561	13 713	3 129
Community		—	323	2 218	10 465	11 552	11 552	3 947	2 769	3 000
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6	5 176	7 981	3 807	8 518	11 339	11 339	3 340	6 578	6 921
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
Total Capital Expenditure	4									
Infrastructure - Road transport		1 456	5 002	1 828	10 618	10 618	10 618	1 779	1 246	450
Infrastructure - Electricity		6 141	14 955	15 696	15 498	20 925	20 925	12 421	14 072	11 489
Infrastructure - Water		25 304	5 269	10 228	13 603	12 593	12 593	18 574	17 027	16 550
Infrastructure - Sanitation		7 705	13 030	17 786	1 100	2 021	2 021	1 400	3 273	6 646
Infrastructure - Other		1 399	8 020	—	—	216	216	1 830	2 050	1 000
Infrastructure		42 004	46 275	45 538	40 819	46 373	46 373	36 004	37 668	36 135
Community		3 087	3 668	16 842	26 530	26 911	26 911	24 009	19 422	15 704
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets		9 121	10 375	9 769	8 610	11 648	11 648	7 588	11 210	7 945
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		—	—	—	—	—	—	—	—	—
TOTAL CAPITAL EXPENDITURE - Asset class	2	54 213	60 318	72 149	75 959	84 932	84 932	67 601	68 300	59 784
ASSET REGISTER SUMMARY - PPE (WDV)										
Infrastructure - Road transport	5	76 831	84 926	83 748	88 100	90 248	97 202	94 076	90 507	86 215
Infrastructure - Electricity		102 014	117 788	128 432	137 739	143 498	143 498	148 934	156 149	160 886
Infrastructure - Water		168 727	170 045	191 647	182 058	173 681	173 681	185 850	196 589	206 947
Infrastructure - Sanitation		52 473	62 998	81 446	77 759	77 070	77 070	75 663	76 180	80 112
Infrastructure - Other		1 014	938	890	1 903	660	660	2 473	4 507	5 491
Infrastructure		401 059	436 694	486 163	487 559	485 157	492 111	506 996	523 932	539 651
Community		23 333	34 020	35 244	80 852	61 691	61 691	85 146	104 025	119 193
Heritage assets		1 711	22 741	22 741	1 551	22 738	22 738	22 734	22 731	22 727
Investment properties		198 067	130 649	130 645	134 998	130 645	130 645	130 645	130 645	130 645
Other assets		299 694	214 361	214 883	219 549	221 070	221 070	222 189	227 049	228 741
Agricultural Assets		—	—	—	—	—	—	—	—	—
Biological assets		—	—	—	—	—	—	—	—	—
Intangibles		818	669	992	627	950	950	900	851	803
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	924 682	839 134	890 669	925 136	922 251	929 205	968 611	1 009 233	1 041 759
EXPENDITURE OTHER ITEMS										
Depreciation & asset impairment	3	18 823	148 838	21 370	23 655	23 655	23 655	28 199	27 683	27 262
Repairs and Maintenance by Asset Class		18 091	22 025	22 515	34 713	28 538	28 538	37 443	39 967	42 100
Infrastructure - Road transport		3 647	4 798	4 202	7 643	7 643	7 643	8 254	8 750	9 222
Infrastructure - Electricity		2 533	4 651	6 156	10 908	5 499	5 499	11 780	12 487	13 161
Infrastructure - Water		3 716	3 339	2 360	3 705	2 627	2 627	4 001	4 241	4 471
Infrastructure - Sanitation		1 316	2 014	1 666	1 700	2 413	2 413	1 836	1 946	2 051
Infrastructure - Other		—	0	—	455	161	161	460	470	480
Infrastructure		11 213	14 802	14 384	24 411	18 342	18 342	26 332	27 894	29 385
Community		628	783	737	1 169	1 111	1 111	1 241	1 315	1 379
Heritage assets		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Other assets	6, 7	6 250	6 440	7 394	9 133	9 086	9 086	9 870	10 758	11 336
TOTAL EXPENDITURE OTHER ITEMS		36 914	170 863	43 884	58 368	52 193	52 193	65 642	67 650	69 361
Renewal of Existing Assets as % of total capex		40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	29.4%	33.8%	21.8%
Renewal of Existing Assets as % of deprecn"		116.1%	23.6%	65.1%	142.3%	183.5%	183.5%	70.4%	83.3%	47.9%
R&M as a % of PPE		2.5%	3.2%	3.1%	4.4%	3.6%	3.6%	4.5%	4.6%	4.6%
Renewal and R&M as a % of PPE		4.0%	7.0%	4.0%	7.0%	8.0%	8.0%	6.0%	6.0%	5.0%

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Donated/contributed and assets funded by finance leases to be allocated to the respective category
7. Including repairs and maintenance to agricultural, biological and intangible assets

WC048 Knysna - Table A10 Basic service delivery measurement

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Household service targets	1									
Water:										
Piped water inside dwelling		52%								
Piped water inside yard (but not in dwelling)		13%								
Using public tap (at least min.service level)	2	14%								
Other water supply (at least min.service level)	4									
Minimum Service Level and Above sub-total		1	-	-	-	-	-	-	-	-
Using public tap (< min.service level)	3									
Other water supply (< min.service level)	4									
No water supply										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	-	-	-	-	-	-	-	-
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		74%								
Flush toilet (with septic tank)										
Chemical toilet										
Pit toilet (ventilated)		15%								
Other toilet provisions (> min.service level)										
Minimum Service Level and Above sub-total		1	-	-	-	-	-	-	-	-
Bucket toilet										
Other toilet provisions (< min.service level)										
No toilet provisions										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	-	-	-	-	-	-	-	-
Energy:										
Electricity (at least min.service level)										
Electricity - prepaid (min.service level)		86%	89%							
Minimum Service Level and Above sub-total		1	1	-	-	-	-	-	-	-
Electricity (< min.service level)										
Electricity - prepaid (< min. service level)										
Other energy sources										
Below Minimum Service Level sub-total		-	-	-	-	-	-	-	-	-
Total number of households	5	1	1	-	-	-	-	-	-	-
Refuse:										
Removed at least once a week		94%	1							
Minimum Service Level and Above sub-total		1	1	-	-	-	-	-	-	-
Removed less frequently than once a week										
Using communal refuse dump		1%	1%							
Using own refuse dump		1%	1%							
Other rubbish disposal		1%	1%							
No rubbish disposal										
Below Minimum Service Level sub-total		0	0	-	-	-	-	-	-	-
Total number of households	5	1	1	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)										
Sanitation (free minimum level service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed at least once a week)										
Cost of Free Basic Services provided (R'000)	8									
Water (6 kilolitres per household per month)										
Sanitation (free sanitation service)										
Electricity/other energy (50kwh per household per month)										
Refuse (removed once a week)										
Total cost of FBS provided (minimum social package)		-	-	-	-	-	-	-	-	-
Highest level of free service provided										
Property rates (R value threshold)		30 000	30 000		100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)		6	6		6	6	6	6	6	6
Sanitation (kilolitres per household per month)		-	-		-	-	-	-	-	-
Sanitation (Rand per household per month)		46	47							
Electricity (kwh per household per month)		50	50		50	50	50	50	50	50
Refuse (average litres per week)		170	170		170	170	170	170	170	170
Revenue cost of free services provided (R'000)	9									
Property rates (R15 000 threshold rebate)		-	-							
Property rates (other exemptions, reductions and rebates)		18 941	21 272	27 999	26 233	26 233	26 233	26 233	27 239	29 893
Water		5 091	5 583	7 032	7 520	7 520	7 520	7 520	8 084	8 569
Sanitation		763	716	1 105	1 009	1 009	1 009	1 009	1 089	1 155
Electricity/other energy		2 322	2 951	3 063	3 005	3 005	3 005	3 005	3 210	3 428
Refuse		897	795	1 282	1 060	1 060	1 060	1 060	1 140	1 208
Municipal Housing - rental rebates		-	-							
Housing - top structure subsidies		2 349	3 018							
Other										
Total revenue cost of free services provided (total social package)	6	30 362	34 335	40 481	38 827	38 827	38 827	38 827	40 761	44 252

References

1. Include services provided by another entity; e.g. Eskom
2. Stand distance <= 200m from dwelling
3. Stand distance > 200m from dwelling
4. Borehole, spring, rain-water tank etc.
5. Must agree to total number of households in municipal area
6. Include value of subsidy provided by municipality above provincial subsidy level
7. Show number of households receiving at least these levels of services completely free
8. Must reflect the cost to the municipality of providing the Free Basic Service
9. Reflect the cost to the municipality in terms of 'revenue foregone' of providing free services (note this will not equal 'Revenue Foregone' on SA1)

Knysna Municipality



Annexure 2

Supporting budget tables 2014/2015 - 2016/2017

Medium Term Revenue and Expenditure Framework (MTREF)



WC048 Knysna - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
REVENUE ITEMS:											
<u>Property rates</u>	6										
Total Property Rates		138 064	148 538	167 969	178 807	172 807	172 807	172 807	186 696	196 914	208 728
less Revenue Foregone		21 272	23 174	27 999	26 233	26 233	26 233	26 233	27 239	29 893	31 686
Net Property Rates		116 791	125 364	139 970	152 574	146 574	146 574	146 574	159 457	167 021	177 042
<u>Service charges - electricity revenue</u>	6										
Total Service charges - electricity revenue		141 897	162 921	175 262	185 417	183 917	183 917	183 917	196 423	209 780	224 045
less Revenue Foregone		2 951	2 805	3 063	3 005	3 005	3 005	3 005	3 210	3 428	3 661
Net Service charges - electricity revenue		138 946	160 116	172 199	182 411	180 911	180 911	180 911	193 213	206 352	220 384
<u>Service charges - water revenue</u>	6										
Total Service charges - water revenue		43 509	47 023	50 110	53 011	53 011	53 011	53 011	56 987	60 406	64 031
less Revenue Foregone		5 583	6 367	7 032	7 520	7 520	7 520	7 520	8 084	8 569	9 083
Net Service charges - water revenue		37 925	40 656	43 078	45 492	45 492	45 492	45 492	48 904	51 838	54 948
<u>Service charges - sanitation revenue</u>	6										
Total Service charges - sanitation revenue		9 837	10 503	11 337	11 628	11 628	11 628	11 628	12 558	13 312	14 110
less Revenue Foregone		716	871	1 105	1 009	1 009	1 009	1 009	1 089	1 155	1 224
Net Service charges - sanitation revenue		9 121	9 632	10 232	10 619	10 619	10 619	10 619	11 469	12 157	12 886
<u>Service charges - refuse revenue</u>	6										
Total refuse removal revenue		13 510	14 146	14 741	15 342	15 342	15 342	15 342	16 492	17 482	18 531
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
less Revenue Foregone		795	967	1 282	1 060	1 060	1 060	1 060	1 140	1 208	1 281
Net Service charges - refuse revenue		12 715	13 179	13 459	14 281	14 281	14 281	14 281	15 352	16 274	17 250
<u>Other Revenue by source</u>											
Actuarial gains		–	127	2 350	–	–	–	–	–	–	–
Augmentations		2 387	808	996	866	866	866	866	868	885	904
Donations		293	116	374	354	354	354	354	155	110	65
Foreign exchange profit		75	–	–	–	–	–	–	–	–	–
Gain on FV Adjustments IP		15 704	27 353	–	–	–	–	–	–	–	–
Information fees		202	233	246	164	164	164	164	247	252	257
Insurance claims		617	1 141	1 255	–	–	–	–	–	–	–
Other revenue		535	506	803	342	342	342	342	342	349	169
Penalty Disconnection Fees		505	227	336	250	250	250	250	251	256	261
Recovered costs		252	412	756	241	241	241	241	241	246	249
Refuse related sundry revenue		155	195	166	170	170	170	170	170	173	177
Reversal of Impairment Loss		33 437	5 182	–	–	–	–	–	–	–	–
Reversal of Provision		–	–	–	–	–	–	–	–	–	–
Skills Development Levy Refund		72	860	594	400	400	400	400	334	341	348
Traffic related sundry revenue		32	69	59	37	37	37	37	57	58	59
Unamortised revenue		691	613	498	625	625	625	625	626	639	652
Unclaimed deposits & credits		(11)	47	21	–	–	–	–	–	–	–
Total 'Other' Revenue	1	54 946	37 889	8 455	3 449	3 449	3 449	3 449	3 291	3 309	3 142
EXPENDITURE ITEMS:											
<u>Employee related costs</u>											
Basic Salaries and Wages	2	75 645	83 970	87 549	105 208	98 099	98 099	98 099	103 984	116 536	123 617
Pension and UIF Contributions		12 815	13 680	14 978	17 403	18 155	18 155	18 155	19 654	20 934	22 212
Medical Aid Contributions		7 084	7 566	8 288	10 670	11 075	11 075	11 075	11 867	12 649	13 420
Overtime		7 317	8 881	10 491	6 345	7 510	7 510	7 510	7 006	7 409	7 801
Performance Bonus		5 483	6 074	7 468	7 812	8 058	8 058	8 058	8 044	8 607	9 133
Motor Vehicle Allowance		3 177	3 257	3 727	3 884	3 968	3 968	3 968	4 495	4 775	5 061
Cellphone Allowance		–	–	–	–	–	–	–	–	–	–
Housing Allowances		1 351	1 393	1 493	1 769	1 896	1 896	1 896	2 049	2 187	2 320
Other benefits and allowances		3 598	4 554	5 330	5 218	5 336	5 336	5 336	5 537	5 976	6 337
Payments in lieu of leave		1 263	1 337	2 969	1 518	1 518	1 518	1 518	1 518	1 594	1 673
Long service awards		1 129	1 436	1 553	1 480	1 480	1 480	1 480	1 524	1 570	1 649
Post-retirement benefit obligations		6 153	7 265	8 078	7 483	7 483	7 483	7 483	7 707	7 938	8 335
sub-total	5	125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	125 015	139 414	151 924	168 789	164 578	164 578	164 578	173 386	190 176	201 558
<u>Contributions recognised - capital</u>											
Contributions recognised - capital		–	777	695	3 717	3 717	3 717	3 717	–	–	–
Total Contributions recognised - capital		–	777	695	3 717	3 717	3 717	3 717	–	–	–
<u>Depreciation & asset impairment</u>											
Depreciation of Property, Plant & Equipment		18 699	20 263	21 318	23 655	23 655	23 655	23 655	28 199	27 683	27 262
Lease amortisation		–	–	–	–	–	–	–	–	–	–
Capital asset impairment		124	128 575	52	–	–	–	–	–	–	–
Depreciation resulting from revaluation of PPE		–	–	–	–	–	–	–	–	–	–
Total Depreciation & asset impairment	1	18 823	148 838	21 370	23 655	23 655	23 655	23 655	28 199	27 683	27 262
<u>Bulk purchases</u>											
Electricity Bulk Purchases		85 586	107 621	122 262	127 000	127 000	127 000	127 000	137 236	148 297	158 678

WC048 Knysna - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Water Bulk Purchases	1	-	-	-	-	-	-	-	-	-	-
Total bulk purchases		85 586	107 621	122 262	127 000	127 000	127 000	127 000	137 236	148 297	158 678
Transfers and grants	1	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants		5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
Contracted services	1	4 914	5 484	4 793	9 141	7 403	7 403	7 403	10 151	10 893	11 438
Administrative Support		-	-	-	-	-	-	-	-	-	-
Animal Control		11	65	28	150	150	150	150	100	166	175
Defaulters Meter Conversions		278	283	250	333	333	333	333	342	359	377
Penalty Disconnections		4 065	4 050	4 150	3 946	4 946	4 946	4 946	4 900	5 165	5 443
Refuse Removal		478	587	806	660	660	660	660	697	732	769
Removal of Illegal Shacks		2 819	4 458	6 704	5 682	5 682	5 682	5 682	5 600	5 880	6 174
Sale of Prepaid Services		498	435	397	540	540	540	540	570	599	629
Third Party Cashier Points											
sub-total	1	13 063	15 363	17 128	20 452	19 714	19 714	19 714	22 360	23 794	25 004
Allocations to organs of state:		-	-	-	-	-	-	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		-	-	-	-	-	-	-	-	-	-
Sanitation		-	-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
Total contracted services		13 063	15 363	17 128	20 452	19 714	19 714	19 714	22 360	23 794	25 004
Other Expenditure By Type	3	472	584	1 172	700	700	700	700	678	709	744
Collection costs		-	-	-	-	-	-	-	-	-	-
Contributions to 'other' provisions		-	-	-	-	-	-	-	-	-	-
Consultant fees		2 335	3 221	4 260	4 236	3 736	3 736	3 736	4 523	5 068	5 324
Audit fees		2 971	2 216	3 262	2 301	2 883	2 883	2 883	3 227	3 397	3 567
General expenses		6 055	5 062	7	-	-	-	-	-	-	-
Actuarial Losses		1 302	1 744	1 813	1 629	1 949	1 949	1 949	2 036	2 134	2 241
Advertising & Media		1 006	1 236	1 299	1 360	1 360	1 360	1 360	1 436	1 500	1 574
Bank Charges		1 170	3 186	1 501	1 843	1 670	1 670	1 670	2 744	2 879	3 022
Consultants Fees		3 632	957	1 647	750	750	750	750	788	827	868
Contrib to Provisions		(320)	20	479	1 140	1 273	1 273	1 273	1 256	1 324	1 393
Equipment Hire		1 443	1 552	1 305	1 612	1 612	1 612	1 612	1 599	1 678	1 762
Insurance		4 063	4 514	5 046	6 137	6 435	6 435	6 435	7 199	7 086	7 441
Levies, Subscriptions & Licences		-	90 472	-	-	-	-	-	-	-	-
Loss on FV Adjustments IP		3 542	3 704	4 347	5 445	5 627	5 627	5 627	6 315	6 531	6 847
Office Space Rental		38 420	53 564	45 233	36 400	37 694	37 694	37 694	22 339	25 680	23 036
Operating Grant Expenditure		875	864	1 117	2 732	2 732	2 732	2 732	2 991	3 140	3 297
Planning		8 209	7 763	11 269	10 765	11 195	11 195	11 195	7 909	12 127	12 744
Projects		18 091	22 025	22 515	34 713	28 538	28 538	28 538	37 443	39 967	42 100
Repairs & Maintenance		1 180	1 759	1 865	1 867	1 817	1 817	1 817	2 083	2 170	2 279
Staff Related (recruitment, training, etc.)		4 010	3 757	3 820	3 086	3 098	3 098	3 098	3 060	3 449	3 680
Telecommunications & Postage		2 682	2 557	2 004	2 434	2 691	2 691	2 691	2 622	2 751	2 887
Travel, Entertainment & Functions											
Total 'Other' Expenditure	1	101 139	210 757	113 962	119 149	115 761	115 761	115 761	110 247	122 416	124 807
by Expenditure Item	8	-	-	-	-	-	-	-	-	-	-
Employee related costs		18 091	22 025	22 515	34 713	28 538	28 538	28 538	37 443	39 967	42 100
Other materials		-	-	-	-	-	-	-	-	-	-
Contracted Services		-	-	-	-	-	-	-	-	-	-
Other Expenditure		-	-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	9	18 091	22 025	22 515	34 713	28 538	28 538	28 538	37 443	39 967	42 100
check		-	-	-	-	-	-	-	-	-	-

References

1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries
3. Insert other categories where revenue or expenditure is of a material nature (list separate items until 'General expenses' is not > 10% of Total Expenditure)
4. Expenditure to meet any 'unfunded obligations'
- 5 This sub-total must agree with the total on SA22, but excluding councillor and board member items
6. Include a note for each revenue item that is affected by 'revenue foregone'
7. Special consideration may have to be given to including 'goodwill arising' or 'joint venture' budgets where circumstances require this (include separately under relevant notes)
8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.
10. Only applicable to municipalities that have adopted the 'revaluation method' in GRAP 17. The aim is to prevent overstating 'depreciation and asset impairment'

WC048 Knysna - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Executive & Council	Vote 2 - Corporate Services	Vote 3 - Financial Services	Vote 4 - Strategic Services	Vote 5 - Planning & Development	Vote 6 - Community Services	Vote 7 - Electrical Services	Vote 8 - Technical Services	Total
R thousand	1									
Revenue By Source										
Property rates		–	–	159 457	–	–	–	–	–	159 457
Property rates - penalties & collection charges		–	–	2 804	–	–	–	–	–	2 804
Service charges - electricity revenue		–	–	–	–	–	–	193 213	–	193 213
Service charges - water revenue		–	–	–	–	–	–	–	48 904	48 904
Service charges - sanitation revenue		–	–	–	–	–	709	–	10 760	11 469
Service charges - refuse revenue		–	–	–	–	–	15 352	–	–	15 352
Service charges - other		–	44	–	–	2 163	227	895	319	3 648
Rental of facilities and equipment		–	2 911	–	–	–	2 119	–	–	5 030
Interest earned - external investments		5	–	2 341	–	–	–	–	–	2 346
Interest earned - outstanding debtors		–	–	278	–	20	600	588	1 764	3 250
Dividends received		–	–	–	–	–	–	–	–	–
Fines		–	–	–	–	4	15 107	–	–	15 111
Licences and permits		–	–	–	–	–	1 998	–	–	1 998
Agency services		–	–	–	–	–	1 800	–	–	1 800
Other revenue		(97)	336	1 110	–	270	427	616	629	3 291
Transfers recognised - operational		6 256	53	4 384	–	13 858	13 268	12 287	18 773	68 879
Gains on disposal of PPE		250	–	–	–	–	–	–	–	250
Total Revenue (excluding capital transfers and contribution)		6 414	3 345	170 373	–	16 315	51 606	207 599	81 148	536 801
Expenditure By Type										
Employee related costs		14 644	12 155	22 363	–	15 935	55 063	11 963	41 263	173 386
Remuneration of councillors		6 665	–	–	–	–	–	–	–	6 665
Debt impairment		1 856	–	12 127	–	–	2 210	1 796	7 205	25 196
Depreciation & asset impairment		320	720	764	–	2 442	1 907	5 295	16 751	28 199
Finance charges		–	105	106	–	1 182	1 087	8 544	7 476	18 500
Bulk purchases		–	–	–	–	–	–	137 236	–	137 236
Other materials		126	149	260	–	244	4 511	1 483	9 835	16 607
Contracted services		–	–	3 845	–	697	11 310	3 482	3 026	22 360
Transfers and grants		5 446	258	–	–	–	–	–	–	5 704
Other expenditure		10 274	13 056	12 966	–	15 890	13 349	19 215	25 496	110 247
Loss on disposal of PPE		–	–	–	–	–	–	–	–	–
Total Expenditure		39 330	26 443	52 430	–	36 390	89 438	189 015	111 054	544 100
Surplus/(Deficit)		(32 916)	(23 098)	117 944	–	(20 075)	(37 832)	18 584	(29 905)	(7 298)
Transfers recognised - capital		–	–	–	–	18 000	4 079	3 421	13 949	39 449
Contributions recognised - capital		–	–	–	–	–	–	–	–	–
Contributed assets		–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		(32 916)	(23 098)	117 944	–	(2 075)	(33 753)	22 005	(15 956)	32 151

References

1. Departmental columns to be based on municipal organisation structure

WC048 Knysna - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		31 078	30 342	23 276	18 000	18 000	18 000	18 000	15 000	17 000	22 000
Other current investments > 90 days		–	–	–	12 000	–	–	–	–	–	–
Total Call investment deposits	2	31 078	30 342	23 276	30 000	18 000	18 000	18 000	15 000	17 000	22 000
Consumer debtors											
Consumer debtors		99 517	122 584	108 248	114 397	130 814	130 814	130 814	156 073	182 818	211 261
Less: Provision for debt impairment	2	(36 584)	(59 819)	(41 050)	(53 727)	(61 504)	(61 504)	(61 504)	(77 699)	(95 445)	(114 888)
Total Consumer debtors	2	62 932	62 765	67 199	60 670	69 311	69 311	69 311	78 373	87 373	96 373
Debt impairment provision											
Balance at the beginning of the year		27 513	36 584	59 819	33 273	41 050	41 050	41 050	61 504	77 699	95 445
Contributions to the provision		15 768	26 750	17 549	28 454	28 454	28 454	28 454	25 196	26 746	28 443
Bad debts written off		(6 697)	(3 515)	(36 319)	(8 000)	(8 000)	(8 000)	(8 000)	(9 000)	(9 000)	(9 000)
Balance at end of year		36 584	59 819	41 050	53 727	61 504	61 504	61 504	77 699	95 445	114 888
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		884 549	865 524	935 241	1 015 094	1 020 173	1 020 173	1 020 173	1 087 774	1 156 074	1 215 858
Leases recognised as PPE	3	8 295	6 771	4 400	4 270	4 400	4 400	4 400	4 400	4 400	4 400
Less: Accumulated depreciation		167 048	187 220	203 349	229 854	226 962	226 962	226 962	255 107	282 737	309 946
Total Property, plant and equipment (PPE)	2	725 797	685 074	736 291	789 510	797 610	797 610	797 610	837 066	877 737	910 311
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		–	–	–	–	–	–	–	–	–	–
Current portion of long-term liabilities		17 181	17 259	18 130	16 030	19 580	19 580	19 580	21 147	22 838	24 666
Total Current liabilities - Borrowing		17 181	17 259	18 130	16 030	19 580	19 580	19 580	21 147	22 838	24 666
Trade and other payables											
Trade and other creditors		37 095	47 201	54 718	47 201	58 001	58 001	58 001	61 481	65 170	69 080
Unspent conditional transfers		5 634	2 137	1 262	–	–	–	–	–	–	–
VAT		–	–	–	1 520	–	–	–	–	–	–
Total Trade and other payables	2	42 729	49 338	55 980	48 721	58 001	58 001	58 001	61 481	65 170	69 080
Non current liabilities - Borrowing											
Borrowing	4	157 974	148 421	129 389	133 217	117 212	117 212	117 212	115 646	113 954	112 127
Finance leases (including PPP asset element)		1 188	1 127	208	1 178	208	208	208	133	83	33
Total Non current liabilities - Borrowing		159 162	149 548	129 597	134 396	117 421	117 421	117 421	115 779	114 038	112 161
Provisions - non-current											
Retirement benefits		59 270	70 082	74 728	85 610	82 211	82 211	82 211	89 918	97 856	106 190
List other major provision items		–	–	–	–	–	–	–	–	–	–
Refuse landfill site rehabilitation		–	3 725	3 859	11 268	4 052	4 052	4 052	4 254	4 467	4 690
Other		13 282	13 369	15 084	–	16 564	16 564	16 564	18 088	19 658	21 306
Total Provisions - non-current		72 552	87 176	93 670	96 878	102 826	102 826	102 826	112 260	121 980	132 187
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		769 883	734 142	595 454 230	590 241	653 100 101	653 100	653 100	692 855	709 403	743 904
GRAP adjustments		(115 791)	13 063	–	–	–	–	–	–	–	–
Restated balance		654 092	747 205	595 454 230	590 241	653 100 101	653 100	653 100	692 855	709 403	743 904
Surplus/(Deficit)		95 245	(153 632)	57 694 611	42 235	47 267 600	47 268	47 268	32 151	45 114	64 869
Appropriations to Reserves		(17 661)	(4 704)	-5 263 818	14 807	(7 359)	(7 359)	(7 359)	(15 603)	(10 613)	(15 623)
Transfers from Reserves		3 926	6 586	5 215 075	–	–	–	–	–	–	–
Depreciation offsets		–	–	–	–	–	–	–	–	–	–
Other adjustments		(1 459)	–	–	–	(153)	(153)	(153)	–	–	–
Accumulated Surplus/(Deficit)	1	734 142	595 454	653 100 099	647 283	692 855 349	692 855	692 855	709 403	743 904	793 150
Reserves											
Housing Development Fund		3 057	–	–	1 000	–	–	–	–	–	–
Capital replacement		5 200	4 692	3 638 765	20 500	5 038 765	5 039	5 039	15 039	20 039	30 039
Self-insurance		–	–	–	–	–	–	–	–	–	–
Employee Benefits Reserve		5 243	6 153	6 669 395	13 264	11 669 395	11 669	11 669	16 669	21 669	26 669
Non-current provisions reserve		6 115	3 419	3 592 636	11 268	4 051 822	4 052	4 052	4 254	4 467	4 690
Valuation Roll Reserve		–	412	824 000	1 236	1 324 000	1 324	1 324	1 724	2 124	2 524
Revaluation		–	47 895	47 668 219	47 894	47 668 219	47 668	47 668	47 668	47 668	47 668
Total Reserves	2	19 615	62 571	62 393 015	95 162	69 752 201	69 752	69 752	85 355	95 968	111 591
TOTAL COMMUNITY WEALTH/EQUITY	2	753 757	658 025	715 493 113	742 444	762 607 550	762 608	762 608	794 758	839 872	904 741

Total capital expenditure includes expenditure on nationally significant priorities:

Provision of basic services											
SA6: SFA1 - Basic Service Delivery											

References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Must reconcile with Table A6 Budgeted Financial Position
3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases
4. Borrowing must reconcile to Table A17

WC048 Knysna - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
SFA1 - Basic Service Delivery	SO1: To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment			305 358	349 980	381 338	393 615	392 331	392 331	391 397	437 936	469 596
SFA1 - Basic Service Delivery	SO2: To ensure ecological integrity through sustainable practices of municipal governance			90	–	–	–	–	–	–	–	–
SFA1 - Basic Service Delivery	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			76	42	89	–	–	–	–	–	–
SFA2 - Local Economic Development	SO3: To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor interventions			4 155	9 663	1 618	3 226	3 226	3 226	3 374	2 507	2 647
SFA3 - Municipal Financial Viability & Transformation	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			127 918	138 062	153 036	166 965	161 101	161 101	170 323	179 079	193 373
SFA4 - Municipal Transformation & Organisational Development	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			3 690	2 442	4 492	3 581	3 639	3 639	4 355	4 583	4 825
SFA4 - Municipal Transformation & Organisational Development	SO6: To develop progressive strategies to optimise the use of available human resources			189	881	594	400	400	400	334	341	348
SFA5 - Good Governance & Public Participation	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			966	1 129	1 296	4 006	4 879	4 879	3 004	4 896	6 244
SFA5 - Good Governance & Public Participation	SO7: To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry			55 157	36 701	8 923	2 932	2 932	2 932	3 463	3 610	3 414
Allocations to other priorities				2								
Total Revenue (excluding capital transfers and contributions)			1	497 599	538 900	551 387	574 725	568 508	568 508	576 250	632 951	680 447

References

1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
2. Balance of allocations not directly linked to an IDP strategic objective

WC048 Knysna - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand													
SFA1 - Basic Service Delivery	SO1: To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment			291 586	353 049	365 395	384 046	374 383	374 383	388 784	419 272	438 006	
SFA1 - Basic Service Delivery	SO2: To ensure ecological integrity through sustainable practices of municipal governance			869	1 026	1 251	1 381	1 381	1 381	1 172	1 578	1 670	
SFA1 - Basic Service Delivery	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			4 503	4 633	5 377	6 410	6 427	6 427	6 846	7 252	7 643	
SFA2 - Local Economic Development	SO3: To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor interventions			8 786	9 969	9 818	14 643	14 506	14 506	14 134	16 149	17 053	
SFA1 - Basic Service Delivery	SO4: To facilitate real opportunities for youth, women, and disabled and provide appropriate care for the aged			413	219	236	310	287	287	505	530	557	
SFA3 - Municipal Financial Viability & Transformation	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			27 623	32 824	32 854	42 549	41 396	41 396	43 020	48 369	51 261	
SFA4 - Municipal Transformation & Organisational Development	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			27 028	25 192	31 338	37 980	36 793	36 793	39 804	41 923	44 072	
SFA4 - Municipal Transformation & Organisational Development	SO6: To develop progressive strategies to optimise the use of available human resources			6 917	8 916	10 282	12 703	12 363	12 363	14 622	15 723	16 562	
SFA5 - Good Governance & Public Participation	SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery			6 343	6 966	8 843	6 900	7 842	7 842	7 486	8 243	8 720	
SFA5 - Good Governance & Public Participation	SO7: To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry			28 285	249 738	28 298	25 568	25 862	25 862	27 727	28 799	30 034	
Allocations to other priorities													
Total Expenditure				1	402 355	692 532	493 692	532 490	521 240	521 240	544 100	587 837	615 578

1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Balance of allocations not directly linked to an IDP strategic objective

WC048 Knysna - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand												
SO1: To promote access for all citizens to equitable, appropriate and sustainable infrastructure and services within a safe environment	SFA1 - Basic Service Delivery	A		53 122	57 115	71 079	64 872	70 720	70 720	61 083	61 670	56 539
SO2: To ensure ecological integrity through sustainable practices of municipal governance	SFA1 - Basic Service Delivery			–	–	–	4 117	4 117	4 117	3 423	3 420	1 000
SO3: To create an enabling environment for economic growth that attracts investors, encourages innovation and facilitate pro-poor interventions	SFA2 - Local Economic Development	B							–	250	250	–
SO5: To ensure a municipality that is committed to an innovative approach, prudent investment of public funds, good governance, financial viability and optimal institutional transformation that accommodates diversity in service delivery	SFA3 - Municipal Financial Viability and Transformation			–	927	450	3 232	5 351	5 351	–	120	–
SO6: To develop progressive strategies to optimise the use of available human resources	SFA4 - Municipal Transformation & Organisational Development	C		1 091	2 266	620	1 823	2 864	2 864	1 845	2 840	2 245
SO7: To establish a common vision and create coherence in government's work by seeking close partnerships with citizenry	SFA5 - Good Governance & Public Participation			–	10	–	1 915	1 880	1 880	1 000	–	–
Total Capital Expenditure			1	54 213	60 318	72 149	75 959	84 932	84 932	67 601	68 300	59 784

References

- 1. Total capital expenditure must reconcile to Budgeted Capital Expenditure
- 2. Goal code must be used on Table SA36
- 3. Balance of allocations not directly linked to an IDP strategic objective

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 1 - Executive & Council										
Function 1 - Basic Services										
Sub-function 1 - Electrical Network Users										
<i>The indicator reflects the number of residential properties that the Municipality is aware of which are connected to the municipal electrical infrastructure network for both credit and prepaid metering. (A10)</i>	18 560 [eighteen thousand five hundred and sixty] (Number)	Amended PI	Amended PI	18 475	18 250	18 250	18 500	18 560	18 600	18 650
Sub-function 2 - Water Network Users										
<i>The indicator reflects the number of residential properties that the Municipality is aware of which are connected to the municipal water infrastructure network (A10)</i>	10 370 [ten thousand three hundred and seventy] (Number)	Amended PI	Amended PI	10 350	10 660	10 660	10 350	10 370	10 390	10 410
Sub-function 3 - Sanitation (Waste Water) Network Users										
<i>The indicator reflects the number of residential properties that the Municipality is aware of connected to the municipal waste water (sanitation/sewerage) network irrespective of the number of water closets (toilets). (A10)</i>	9 930 [nine thousand nine hundred and thirty] (Number)	Amended PI	Amended PI	9 905	10 450	10 450	9 910	9 930	9 950	9 970
Sub-function 4 - Refuse (Solid Waste) Network Users										
<i>This indicator reflects the number of single residential properties that the Municipality is aware of which are receiving a weekly door to door refuse removal service. This excludes vacant residential properties. (A10)</i>	12 820 [twelve thousand eight hundred and twenty] (Number)	Amended PI	Amended PI	12 793	13 250	13 250	12 800	12 820	12 840	12 860
Sub-function 5 - Rebates Water										
<i>This indicator reflects the 100% social rebate granted in respect to the annual water availability fee charged to qualifying home owners of single residential properties. (A10)</i>	930 [nine hundred and thirty] (Number)	Amended PI	Amended PI	917	1 410	1 410	920	930	940	960
Sub-function 6 - Rebates Sanitation/Sewerage (Waste Water)										
<i>This indicator reflects the 100% social rebate granted in respect to the annual sanitation fee charged to qualifying home owners of single residential properties. (A10)</i>	1 480 [one thousand four hundred and eighty] (Number)	Amended PI	Amended PI	1 454	1 410	1 410	1 460	1 480	1 490	1 500
Sub-function 7 - Rebates Refuse (Solid Waste)										
<i>This indicator relates to the Pre-Paid Electricity Tariff Electrification Housing Scheme (Limited to 20A) limited to 400kWh and first 50kWh free</i>	1 490 [one thousand four hundred and ninety] (Number)	Amended PI	Amended PI	1 465	1 410	1 410	1 470	1 490	1 510	1 520
Sub-function 8 - Rebates Free Basic Service Electricity										
<i>The number of single residential properties earning less than R2500 per month with access to free basic services; ELECTRICITY This indicator relates to the Pre-Paid Electricity Tariff Electrification Housing Scheme (Limited to 20A) limited to 400kWh and first 50kWh free</i>	8 380 [eight thousand three hundred and eighty] (Number)	Amended PI	Amended PI	8 331	8 350	8 350	8 340	8 380	8 400	8 440

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Function 2 - Local Economic Development (LED)										
Sub-function 1 - Expanded Public Works Programme (EPWP)										
<p><i>This indicator measures the number of work opportunities created through the Expanded Public Works Programme (EPWP).</i></p> <p><i>An EPWP work opportunity is paid work created for an individual on an EPWP project for any period of time, within the employment conditions of the Code of Good Practice for Special Public Works Programmes.</i></p>	1 300 [one thousand three hundred] (Number)	New Performance Indicator	New Performance Indicator	1 316	550	550	1 200	1 300	1 400	1 500
Sub-function 2 - Expanded Public Works Programme (EPWP) - Youth and Woman.										
<p><i>Number of Expanded Public Works Programme (EPWP) job opportunities created for youth and woman.</i></p>	1 200[one thousand two hundred] (Number)	New Performance Indicator	New Performance Indicator	767	420	420	1 100	1 200	1 300	1 400
Function 3 - Financial Ratios										
Sub-function 1 - Debt Coverage										
<p><i>Financial viability as expressed by the following ratio:</i></p> <p><i>Debt Coverage</i></p> <p><i>The ratio measures the ability to cover debt service payments with own revenue to aid in determining the financial viability of the municipality</i></p>	24.6 [twenty four point six] (Number)	Amended PI	Amended PI	23.5	15.5	15.5	14.4	24.6	42.4	45.4
Sub-function 2 - Cost Coverage										
<p><i>Financial viability as expressed by the following ratio:</i></p> <p><i>Cost Coverage</i></p> <p><i>To calculate the ability to cover fixed cost with available cash to aid in determining the financial viability of the municipality</i></p>	0.8 [zero point eight] (Number)	Amended PI	Amended PI	1.4	1.3	1.3	0.9	0.8	0.7	2.1
Sub-function 3 - Outstanding Service Debtors to Revenue										
<p><i>Financial viability as expressed by the following ratio:</i></p> <p><i>Outstanding Service Debtors to Revenue</i></p> <p><i>To calculate the ratio of service debtor to service revenue to aid in determining the financial viability of the municipality</i></p>	20.4 [twenty point four] (Percentage)	Amended PI	Amended PI	17.2	15.5	19.5	20.4	20.4	21.4	22.1

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Function 4 - Human Resources										
Sub-function 1 - Executive Level Equity										
<p>Percentage of people from employment equity target groups employed in the three highest levels of management in compliance with the approved employment equity plan</p> <p>The indicator measures the percentage of people from employment equity target groups employed in the three highest levels of (Municipal Manager, Directors and managers reporting to directors) management in compliance with the approved employment equity plan.</p> <p>Each directorate contributes to the corporate achievement of targets and goals by implementing its own objectives of quantitative and qualitative goal setting.</p> <p>The three highest levels are Top Management(MM and Directors); Managers reporting to Directors and Middle Management (Section Heads and Professionals)</p>	80 [eighty] (Percentage)	Amended PI	Amended PI	80%	80%	80%	80%	80%	80%	80%
Sub-function 2 - WSP Budget										
<p>Percentage budget spent on implementation of workplace skills plan (WSP) The workplace skills plan (WSP). Public Service employers in the national and provincial spheres of government are required in terms of Section 30 of the Skills Development Amendment Act to budget at least one percent [1%] of their payroll for the education and training of their employees. : Measured against training budget.</p>	#REF!	0.6%	0.6%	0.9%	1.0%	1.0%	0.96%	1.02%	0.99%	0.99%
Function 5 - Municipal Manager										
Sub-function 1 - Capital Expenditure										
<p>The percentage of a Municipality's capital budget actually spent on budgeted capital projects Percentage reflecting year-to-date spend/total budget, less any contingent liabilities relating to the capital budget. The total budget is the Council-approved adjusted budget at the time of the measurement.</p> <p>Contingent liabilities are only identified at the year-end.</p>	100 [one hundred] (Percentage)	92%	71%	107%	100%	100%	90%	100%	100%	100%
Sub-function 2 - OPCAR										
<p>Project clean audit. To maintain a clean audit opinion</p> <p>This indicator measures good governance and accounting practices and will be evaluated and considered by the Auditor-General in determining his opinion. An unqualified audit opinion refers to the position where the auditor, having completed his audit, has no reservation as to the fairness of presentation of financial statements and their conformity with General Recognised Accounting Practices. This is referred to as a 'clean opinion'.</p>	1 [one] (Number)	Amended PI	Amended PI	1	1	1	1	1	1	1

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

[illegible]

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 2 - Corporate Services										
Function 1 - Director Corporate Services										
Sub-function 1 - Estates										
<i>Report on Council Property Utilisation submitted to Council Assess all Council property holdings for investment and/or development purposes and submit report to Council</i>	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	1	1	1	-	-
<i>Establish a Municipal Land Use Committee The purpose of the committee is to identify, investigate and recommend to Council financial opportunities and risks related to property acquisition, disposal, maintenance or usage. A minimum of six meetings to be held per year</i>	6 [six] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	6	6	6
Sub-function 2 - Human Resources										
<i>Submit a report on the Organisation Review and re-design to Council An organisational structure provides guidance to all employees by laying out the official reporting relationships that govern the workflow of the Municipality.</i>	1 [one] (Number)	1	1	1	1	1	1	1	1	1
<i>A consultant has been appointed to undertake a comprehensive review and submit recommendations. A final report will be submitted to Council by the end of February 2015 for consideration.</i>										
<i>Effective implementation of Disciplinary Procedures Execution of disciplinary procedures in line with the South African Local Government Bargaining Council's (SALGBC) Disciplinary Procedure and Code Collective Agreement to commence within in 90 days of receiving instruction from the Municipal Manager.</i>	100 [one hundred] (Percentage)	New Performance Indicator	New Performance Indicator	New Performance Indicator	100%	100%	100%	100%	100%	100%
Sub-function 3 - Committee Services										
<i>Implementation of a Resolution Management System by submitted quarterly reports to Council To enhance the management of Council resolutions by providing quarterly reports to Council on the progress made in regards to their implementation.</i>	4 [four] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	4	4	2	4	4	4
Sub-function 4 - Legal Services										
<i>Annual Review of By-laws: Annual reviews of all identified municipal by-laws</i>	100 [one hundred] (Percentage)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	100%	100%	100%

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

[illegible]

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 3 - Financial Services										
Function 1 - Director Financial Services										
Sub-function 1 - Budget Implementation Policies										
<p>Review budget implementation policies;</p> <p>1. Budget</p> <p>2. Cash, Liability and Investment Management</p> <p>3. Credit Control</p> <p>4. Funding and Reserves</p> <p>5. Indigent and Social Rebate</p> <p>6. Property Rates</p> <p>7. Supply Chain Management</p> <p>8. Tariffs Budget - policies serve as the cornerstone of financial viability and ensure that the Municipality remains an on-going concern.</p> <p>The budget policies provide the link between the Municipality's financial strategy and its day-to-day operations.</p> <p>The Budget policy should allow Council to produce future budgets that are realistic, practical and affordable to the residents which in itself is already a major step forward for the Municipality.</p>	8 [eight] (Number)	8	8	8	8	8	8	8	8	8
Sub-function 3 - Long Term Financial Plan										
Develop a Long Term Financial Plan and submit to Council To improve financial management and long term financial planning including the development of strategies to improve financial management and long term financial planning and develop strategies for financing capital projects and operational costs	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	-	-	-	1	-
Function 2 - Income										
Sub-function 2 - Debtors Payment Level										
Debtors payment level The debtor's payment level directly relates to the municipalities capacity to collect amounts due in regards to rates, service and sundry charges and is fundamental to maintain positive cash flows and ensuring stability and long term financial viability. (SA8)	94 [eighty] (Percentage)	Amended PI	Amended PI	94.0%	94.0%	94.0%	92.4%	92.4%	92.4%	91.9%

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Function 3 - Information Technology										
Sub-function 1 - IT Policy										
Review existing Information Technology Policy by the IT committee On-going review of the IT policy is imperative to stay current with latest IT related developments and to inform employees what is required of them when using technology provided by the Municipality. It is critical to protect the Municipality by having a policy to govern areas such as internet and email usage, security, backups, software and hardware inventory and data retention.	1 [one] (Number)	New Performance Indicator	New Performance Indicator	1	1	1	1	1	1	1
Six IT Steering Committee meetings per annum To improve the municipal capacity – Develop, implement systems to build institutional capacity and develop plan to integrate ICT systems 1) To monitor the implementation of the IT Policy 2) To receive reports on projects in IT and to agree changes in priorities and resources 3) To monitor the service levels set for IT and achievement thereof 4) To continuously monitor computing resource with respect to optimising and protecting its value through redeployment and/or renewal 5) To consider emerging IT developments and assess the potential for their deployment	6 [six] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	6	6	8	6	6	6

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

[illegible]

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

[illegible]

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Function 3 - Health										
Sub-function 1 - Health HIV/AIDS										
Roll out of awareness campaign for the HIV/AIDS and TB strategy HIV/AIDS and TB strategy to be implemented effectively and embarking on a comprehensive awareness campaign in partnership with Eden and the Departments of Social Development and Health. The HIV/AIDS and TB strategy will be reviewed as and when required	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	1	1	1	1	1
A comprehensive awareness campaign to be rolled out in the next financial year with the assistance from Eden District Municipality										
Function 4 - Halls and Facilities										
Sub-function 1 - Halls and Facilities										
Completion of one Multi-purpose centre as a basis to operate Thusong programmes Completion of Multi-Purpose Centre in; • Smutsville (2014/2015) • White Location (2015/2016) • Rheenendal (2016/2017)	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	-	-	1	1	1
Function 5 - Safety and Security										
Sub-function 1 - Traffic										
Traffic Safety Plan The Traffic Safety Plan is to be approved by Council. The aim of the plan is to assist the Municipality to fulfil its obligation to improve the safety of all traffic networks users in its area of jurisdiction.	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	-	-
Sub-function 2 - Safety and Security										
Complete a Hazard, Risk and Vulnerability Assessment A Hazard, Risk and Vulnerability Assessment (HRVA) will be completed in line with the approved Disaster Management Plan	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	-	-
Vote 7 - Electricity										
Function 1 - Electrical Services										
Sub-function 1 - Electrical										
Submit the updated Electrical Master Plan to Council every five years In order to maintain all municipal electricity assets; to extend the lifespan of assets; annually review the infrastructure maintenance plan; and maintain assets within available budget	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	1	-
Submit report on alternative energy sources to Council Investigate alternative energy supply opportunities for energy and submit report to Council.	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	1	-
New electrical connections. New electrical connections in Oupad, Nekkie East and Managed Landfill with funding from obtained from the Department of Energy.	122 [one hundred and twenty two] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	New Performance Indicator	122	-	-

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Vote 8 - Technical Services										
Function 2 - Public Works										
Sub-function 1 - Pavement Management										
Submit the updated pavement management system to Council every 3 years The Pavement Management System (PMS) is a report on the condition of Knysna's roads as a result of an inspection on site. The system contains the results of the inspection, proposes required remedial actions and lists these in priority and provides cost estimates. The PMS gives input in to the annual and long term budget as well as tracks the back logs. It displays the information visually and groups the output in towns as well as suburbs.	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	1	-	-	-	-	1	-
Sub-function 2 - Storm Water										
Develop and submit to Council a Storm Water Master Plan Develop a five-year master Storm Water Master Plan to manage storm water networks in Knysna Municipality. The Storm Water Master Plan will be approved by Council every five years with 2016/2017 being the first year and will be reviewed annually.	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	-	-	-	-	1
Sub-function 3 - Transport										
Participate in the development of an Integrated Transport Plan The five year Integrated Transport Plan for the Eden District was adopted in 2010 and incorporates a component focussing on Knysna Municipality and is reviewed on an annual basis. The Municipality actively participates in the continuous evolvement and implementation of this plan, budget permitting.	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	1	1	1	1	1
Function 3 - Waste Water										
Sub-function 1 - Effluent Standards (DWA)										
Achieve Green Drop compliance for Knysna and Sedgefield WWTW The Department of Water Affairs (DWA) has introduced a Green Drop certification programme for Waste Water Treatment Works (WWTWs). The Green Drop initiative has been implemented by DWA to ensure the progressive improvement of waste water treatment operations, so as to minimise the negative impact on the environment.	0 [zero] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	-	-	-	-	1	1
Function 4 - Water										
Sub-function 1 - Water Quality										
Produce class 0 quality drinking water Percentage of test that comply to with SANS (South African National Standard) 241 standards "SANS 241 specifies the quality of acceptable drinking water, defined in terms of microbiological, physical, aesthetic and chemical determinants, at the point of delivery." - ISBN 978-0-626-26115-3 This indicator measures the total of percentage achieved by all water treatment works in the Greater Knysna area.	90 [ninety] (Percentage)	New Performance Indicator	New Performance Indicator	97.0%	90.0%	90%	98%	90%	90%	90%

WC048 Knysna - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2010/11	2011/12	2012/2013	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Annual review of the Water and Sewer Master Plan The Water and Sewer Master Plan is approved by Council every five years (2010 current approval) and reviewed annually. The plan assists the Municipality to fulfil its obligation to ensure to ensure sustainable access to clean and affordable water to all citizens in its area of jurisdiction. The WSDP must also incorporate Water and Sewer Master Plan.	1 [one] (Number)	New Performance Indicator	New Performance Indicator	New Performance Indicator	1	1	1	1	1	1
Sub-function 2 - Water Loss										
Limit water unaccounted for by maintaining a loss percentage of less that 20% This indicator measures unaccounted for water which represents the difference between "net production" (the volume of water delivered into the water network) and "consumption" (the volume of water that can be accounted for by legitimate consumption including the indigent consumption.) The reason for the higher that desirable target is due to the shortfall of funds for the required infrastructure refurbishment.	20 [twenty] (Percentage)	New Performance Indicator	New Performance Indicator	18.4%	25.0%	25%	20%	20%	20%	20%

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

WC048 Knysna - Supporting Table SA8 Performance indicators and benchmarks

2010/11											
Description of financial indicator	Basis of calculation	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
<u>Borrowing Management</u>											
Credit Rating		Baa2	Baa2	Baa2	Baa2	Baa2	Baa2	Baa2			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	8.1%	4.8%	6.7%	6.8%	8.0%	8.0%	8.0%	6.2%	5.3%	4.7%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	8.2%	8.0%	7.7%	8.1%	9.5%	9.5%	9.5%	7.2%	6.2%	5.5%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	121.9%	28.6%	0.0%	40.7%	45.7%	45.7%	45.7%	54.2%	39.6%	42.2%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	811.4%	239.0%	207.7%	141.2%	168.3%	168.3%	168.3%	135.6%	118.8%	100.5%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	1.5	1.4	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.4
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.5	1.4	1.2	1.2	1.1	1.1	1.1	1.1	1.1	1.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.6	0.4	0.5	0.3	0.3	0.3	0.2	0.3	0.5
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		84.7%	85.5%	93.1%	94.0%	92.4%	92.4%	92.4%	91.8%	91.9%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		84.5%	85.5%	93.1%	94.0%	92.4%	92.4%	92.4%	91.8%	91.9%	92.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	15.4%	13.2%	15.2%	12.2%	15.8%	15.8%	15.8%	17.2%	17.1%	17.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA' s 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		64.7%	85.0%	134.9%	109.9%	189.8%	189.8%	189.8%	229.7%	184.8%	95.6%
<u>Other Indicators</u>											
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.2%	27.5%	29.8%	32.0%	31.6%	31.6%	31.6%	32.3%	31.9%	31.2%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	28.2%	28.6%	31.0%	33.2%	32.8%	32.8%		33.5%	33.1%	32.3%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	3.9%	4.3%	4.4%	6.6%	5.5%	5.5%		7.0%	6.7%	6.5%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	7.8%	32.6%	7.1%	7.7%	7.2%	7.2%	7.2%	8.7%	7.7%	7.0%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	17.1	16.9	14.2	11.4	11.4	11.4	20.9	24.2	22.9	24.5
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	21.7%	18.6%	19.8%	15.5%	19.5%	19.5%	19.5%	20.4%	21.4%	22.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	2.3	1.7	1.3	1.3	0.9	0.9	0.9	0.8	0.9	1.8

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

WC048 Knysna - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population												
Females aged 5 - 14			4508	4599								
Males aged 5 - 14			4440	4511								
Females aged 15 - 34			9258	9988								
Males aged 15 - 34			9223	9720								
Unemployment												
Monthly household income (no. of households)	1, 12											
No income			4 633	5 622								
R1 - R1 600			1 465	2 202								
R1 601 - R3 200			4 522	3 451								
R3 201 - R6 400			5 922	6 733								
R6 401 - R12 800			3 210	5 610								
R12 801 - R25 600			6 998	8 110								
R25 601 - R51 200			2 160	4 998								
R52 201 - R102 400			1 069	3 254								
R102 401 - R204 800			3 562	2 391								
R204 801 - R409 600			131	1 004								
R409 601 - R819 200			233	533								
> R819 200			78	207								
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area					68 659							
Number of poor people in municipal area												
Number of households in municipal area					21 893							
Number of poor households in municipal area												
Definition of poor household (R per month)												
Housing statistics												
Formal	3				19 207							
Informal					4 333							
Total number of households			-	-	23 540	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)								5.5%	5.5%	5.6%	5.5%	5.5%
Interest rate - borrowing						8.7%	8.7%	8.5%	9.5%	9.5%	9.5%	9.5%
Interest rate - investment						6.3%	5.8%	5.5%	5.5%	5.5%	5.5%	5.5%
Remuneration increases						8.5%	6.1%	7.0%	6.9%	6.8%	6.4%	6.1%
Consumption growth (electricity)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Consumption growth (water)						0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons

WC048 Knysna Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	57 309	55 503	40 550	42 963	30 566	30 566	30 566	26 771	35 270	72 286
Cash + investments at the yr end less applications - R'000	18(1)b	2	33 081	31 395	47 303	9 249	18 540	18 540	26 623	12 195	15 456	42 085
Cash year end/monthly employee/supplier payments	18(1)b	3	2.3	1.7	1.3	1.3	0.9	0.9	0.9	0.8	0.9	1.8
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	95 245	(153 632)	57 695	42 235	47 268	47 268	47 268	32 151	45 114	64 869
Service charge rev % change - macro CPIIX target exclusive	18(1)a,(2)	5	N.A.	4.4%	2.3%	1.2%	(7.8%)	(6.0%)	(6.0%)	1.7%	(0.1%)	0.4%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	84.5%	85.5%	93.1%	94.0%	92.4%	92.4%	92.4%	91.8%	91.9%	92.0%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	4.9%	7.0%	5.3%	6.8%	7.0%	7.0%	7.0%	5.7%	5.7%	5.7%
Capital payments % of capital expenditure	18(1)c;19	8	99.3%	99.6%	103.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	121.9%	27.8%	0.0%	36.1%	41.6%	41.6%	41.6%	54.2%	39.6%	42.2%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								100.0%	153.6%	154.9%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(5.6%)	15.7%	(16.3%)	23.9%	0.0%	0.0%	12.4%	11.0%	10.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	35.5%	(28.0%)	(16.7%)	651.6%	0.0%	0.0%	(4.2%)	(4.6%)	(5.0%)
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.5%	3.2%	3.1%	4.4%	3.6%	3.6%	4.7%	4.5%	4.6%	4.6%
Asset renewal % of capital budget	20(1)(vi)	14	40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	0.0%	29.4%	33.8%	21.8%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) from cash balances
3. Indicative of sufficient liquidity to meet average monthly operating payments
4. Indicative of funded operational requirements
5. Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed revenue
7. Realistic average increase in debt impairment (doubtful debt) provision
8. Indicative of planned capital expenditure level & cash payment timing
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing
10. Substantiation of National/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Supporting indicators												
% incr <i>total service charges (incl prop rates)</i>	18(1)a			10.4%	8.3%	7.2%	(1.8%)	0.0%	0.0%	7.7%	5.9%	6.4%
% incr Property Tax	18(1)a			7.5%	11.5%	8.9%	(3.9%)	0.0%	0.0%	8.8%	4.8%	6.0%
% incr Service charges - electricity revenue	18(1)a			15.2%	7.5%	5.9%	(0.8%)	0.0%	0.0%	6.8%	6.8%	6.8%
% incr Service charges - water revenue	18(1)a			7.2%	6.0%	5.6%	0.0%	0.0%	0.0%	7.5%	6.0%	6.0%
% incr Service charges - sanitation revenue	18(1)a			5.6%	6.2%	3.8%	0.0%	0.0%	0.0%	8.0%	6.0%	6.0%
% incr Service charges - refuse revenue	18(1)a			3.6%	2.1%	6.1%	0.0%	0.0%	0.0%	7.5%	6.0%	6.0%
% incr in Service charges - other	18(1)a			(10.4%)	(21.3%)	45.4%	0.0%	0.0%	0.0%	7.5%	6.0%	6.0%
Total billable revenue	18(1)a			324 898	357 770	387 306	416 124	408 624	408 624	439 877	465 812	495 411
Service charges				320 829	354 270	383 760	411 379	403 879	403 879	434 847	460 480	489 760
Property rates				118 810	127 721	142 458	155 182	149 182	149 182	162 261	169 993	180 193
Service charges - electricity revenue				138 946	160 116	172 199	182 411	180 911	180 911	193 213	206 352	220 384
Service charges - water revenue				37 925	40 656	43 078	45 492	45 492	45 492	48 904	51 838	54 948
Service charges - sanitation revenue				9 121	9 632	10 232	10 619	10 619	10 619	11 469	12 157	12 886
Service charges - refuse removal				12 715	13 179	13 459	14 281	14 281	14 281	15 352	16 274	17 250
Service charges - other				3 310	2 966	2 334	3 393	3 393	3 393	3 648	3 867	4 099
Rental of facilities and equipment				4 069	3 500	3 545	4 745	4 745	4 745	5 030	5 331	5 651
Capital expenditure excluding capital grant funding				16 502	29 639	31 126	33 074	41 734	41 734	28 152	31 899	25 979
Cash receipts from ratepayers	18(1)a			329 207	351 935	387 814	411 608	397 459	397 459	426 998	452 342	481 000
Ratepayer & Other revenue	18(1)a			389 490	411 504	416 445	437 737	430 237	430 237	465 326	492 387	522 981
Change in consumer debtors (current and non-current)				(639)	(3 809)	10 242	(12 585)	5 274	5 274	27 628	9 767	9 832
Operating and Capital Grant Revenue	18(1)a			100 654	119 910	124 842	124 762	126 545	126 545	108 328	137 013	150 054
Capital expenditure - total	20(1)(vi)			54 213	60 318	72 149	75 959	84 932	84 932	67 601	68 300	59 784
Capital expenditure - renewal	20(1)(vi)			21 845	35 188	13 915	33 669	43 398	43 398	19 848	23 060	13 050

Supporting benchmarks

Growth guideline maximum				6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline				4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY										52 523	62 928	69 581
DoRA capital grants total MFY										21 317	22 901	23 680
Provincial operating grants										16 356	3 385	3 588
Provincial capital grants										18 132	-	-
District Municipality grants										-	-	-
Total gazetted/advised national, provincial and district grants										108 328	89 214	96 849
Average annual collection rate (arrears inclusive)												

DoRA operating

Finance Management Grant										1 450	1 500	1 700
Municipal Systems Improvement Grant										934	967	1 018
Equitable Share										44 808	55 858	62 098
Extended Public Works Program										1 000	-	-
										48 192	58 325	64 816

DoRA capital

List capital grants												
Municipal Infrastructure Grant										19 563	20 269	21 048

Integrated National Electrification Grant										1 754	2 632	2 632
Neighbourhood Development Partnership Grant (was in DoRB - error to be removed for DoRA so excluded from draft MTREF)												
										21 317	22 901	23 680
Trend												
Change in consumer debtors (current and non-current)			(639)	(3 809)	10 242	5 274	27 628	9 767	9 832	–	–	–
Total Operating Revenue												
Total Operating Revenue			459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Total Operating Expenditure												
Total Operating Expenditure			402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Operating Performance Surplus/(Deficit)												
Operating Performance Surplus/(Deficit)			57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Cash and Cash Equivalents (30 June 2012)												
Cash and Cash Equivalents (30 June 2012)										26 771		
Revenue												
Revenue												
% Increase in Total Operating Revenue				10.3%	0.4%	3.6%	(1.2%)	0.0%	0.0%	2.9%	11.1%	8.4%
% Increase in Property Rates Revenue				7.3%	11.7%	9.0%	(3.9%)	0.0%	0.0%	8.8%	4.7%	6.0%
% Increase in Electricity Revenue				15.2%	7.5%	5.9%	(0.8%)	0.0%	0.0%	6.8%	6.8%	6.8%
% Increase in Property Rates & Services Charges				10.4%	8.3%	7.2%	(1.8%)	0.0%	0.0%	7.7%	5.9%	6.4%
Expenditure												
Expenditure												
% Increase in Total Operating Expenditure				72.1%	(28.7%)	7.9%	(2.1%)	0.0%	0.0%	4.4%	8.0%	4.7%
% Increase in Employee Costs				11.5%	9.0%	11.1%	(2.5%)	0.0%	0.0%	5.4%	9.7%	6.0%
% Increase in Electricity Bulk Purchases				25.7%	13.6%	3.9%	0.0%	0.0%	0.0%	8.1%	8.1%	7.0%
Average Cost Per Budgeted Employee Position (Remuneration)					192797.5124	214199.4797				237515.2877		
Average Cost Per Councillor (Remuneration)					310922.2647	334127.3684				350789.4737		
R&M % of PPE			2.5%	3.2%	3.1%	4.4%	3.6%	3.6%		4.5%	4.6%	4.6%
Asset Renewal and R&M as a % of PPE			4.0%	7.0%	4.0%	7.0%	8.0%	8.0%		6.0%	6.0%	5.0%
Debt Impairment % of Total Billable Revenue			4.9%	7.0%	5.3%	6.8%	7.0%	7.0%	7.0%	5.7%	5.7%	5.7%
Capital Revenue												
Capital Revenue												
Internally Funded & Other (R'000)			6 610	16 545	21 019	17 587	24 374	24 374	24 374	12 895	19 270	15 015
Borrowing (R'000)			9 892	13 094	10 107	15 487	17 360	17 360	17 360	15 257	12 629	10 964
Grant Funding and Other (R'000)			37 711	30 679	41 023	42 885	43 198	43 198	43 198	39 449	36 401	33 805
Internally Generated funds % of Non Grant Funding			40.1%	55.8%	67.5%	53.2%	58.4%	58.4%	58.4%	45.8%	60.4%	57.8%
Borrowing % of Non Grant Funding			59.9%	44.2%	32.5%	46.8%	41.6%	41.6%	41.6%	54.2%	39.6%	42.2%
Grant Funding % of Total Funding			69.6%	50.9%	56.9%	56.5%	50.9%	50.9%	50.9%	58.4%	53.3%	56.5%
Capital Expenditure												
Capital Expenditure												
Total Capital Programme (R'000)			54 213	60 318	72 149	75 959	84 932	84 932	84 932	67 601	68 300	59 784
Asset Renewal			21 845	35 188	13 915	33 669	43 398	43 398	43 398	19 848	23 060	13 050
Asset Renewal % of Total Capital Expenditure			40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	51.1%	29.4%	33.8%	21.8%
Cash												
Cash												
Cash Receipts % of Rate Payer & Other			84.5%	85.5%	93.1%	94.0%	92.4%	92.4%	92.4%	91.8%	91.9%	92.0%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
Borrowing												
Borrowing												
Credit Rating (2009/10)										Baa2		
Capital Charges to Operating			8.1%	4.8%	6.7%	6.8%	8.0%	8.0%	8.0%	6.2%	5.3%	4.7%
Borrowing Receipts % of Capital Expenditure			121.9%	27.8%	0.0%	36.1%	41.6%	41.6%	41.6%	54.2%	39.6%	42.2%
Reserves												
Reserves												
Surplus/(Deficit)			33 081	31 395	47 303	9 249	18 540	18 540	26 623	12 195	15 456	42 085
Free Services												
Free Services												
Free Basic Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Free Services as a % of Operating Revenue (excl operational transfers)			7.6%	8.2%	9.5%	8.7%	8.9%	8.9%		8.3%	8.2%	8.3%
High Level Outcome of Funding Compliance												
High Level Outcome of Funding Compliance												
Total Operating Revenue			459 888	507 444	509 669	528 123	521 593	521 593	521 593	536 801	596 550	646 642
Total Operating Expenditure			402 355	692 532	493 692	532 490	521 240	521 240	521 240	544 100	587 837	615 578
Surplus/(Deficit) Budgeted Operating Statement			57 534	(185 088)	15 977	(4 367)	353	353	353	(7 298)	8 713	31 064
Surplus/(Deficit) Considering Reserves and Cash Backing			90 615	(153 693)	63 280	4 882	18 892	18 892	26 975	4 896	24 169	73 149
MTREF Funded (1) / Unfunded (0)			15 1	0	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✖			15 ✓	✖	✓	✓	✓	✓	✓	✓	✓	✓

References

15. Subject to figures provided in Schedule.

WC048 Knysna - Supporting Table SA11 Property rates summary

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Valuation:	1									
Date of valuation:		01/072007	01/07/2007					01/07/2011		
Financial year valuation used		2008/2009	2008/2009		2011/2012			2012/2013		
Municipal by-laws s6 in place? (Y/N)	2	Yes	Yes		Yes			Yes		
Municipal/assistant valuer appointed? (Y/N)			Yes							
Municipal partnership s38 used? (Y/N)			0							
No. of assistant valuers (FTE)	3	–	–		–					
No. of data collectors (FTE)	3		–		–					
No. of internal valuers (FTE)	3		–		–					
No. of external valuers (FTE)	3		1		–					
No. of additional valuers (FTE)	4		–		–					
Valuation appeal board established? (Y/N)			Yes							
Implementation time of new valuation roll (mths)										
No. of properties	5		17 600		17 806			17 901		
No. of sectional title values	5		1 700		1 700			1 700		
No. of unreasonably difficult properties s7(2)			–							
No. of supplementary valuations			900							
No. of valuation roll amendments			900							
No. of objections by rate payers			25							
No. of appeals by rate payers			3							
No. of successful objections	8		15							
No. of successful objections > 10%	8		10							
Supplementary valuation										
Public service infrastructure value (Rm)	5									
Municipality owned property value (Rm)										
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)										
Valuation reductions-nature reserves/park (Rm)										
Valuation reductions-mineral rights (Rm)										
Valuation reductions-R15,000 threshold (Rm)										
Valuation reductions-public worship (Rm)										
Valuation reductions-other (Rm)										
Total valuation reductions:		–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	5	23 590	24 224	24 098	24 146	24 146	24 146	24 219	24 316	24 364
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5	23 590	24 224	24 098	24 146	24 146	24 146	24 219	24 316	24 364
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5		Yes		Yes			Yes		
Differential rates used? (Y/N)			No		No			No		
Limit on annual rate increase (s20)? (Y/N)			No		No			No		
Special rating area used? (Y/N)			No		No			No		
Phasing-in properties s21 (number)			0		0			0		
Rates policy accompanying budget? (Y/N)			Yes		Yes			Yes		
Fixed amount minimum value (R'000)			–		–			–		
Non-residential prescribed ratio s19? (%)			0.0%		0.0%			0.0%		
Rate revenue:										
Rate revenue budget (R'000)	6	116 791	125 364	139 988	152 574	146 574	146 574	159 457	167 021	177 042
Rate revenue expected to collect (R'000)	6	110 306	118 845		142 801	137 186	137 186	146 901	154 072	163 608
Expected cash collection rate (%)		94.4%	94.8%	93.0%	93.6%	93.6%	93.6%	92.1%	92.2%	92.4%
Special rating areas (R'000)	7	–	–		–					
Rebates, exemptions - indigent (R'000)		–	–	333	408	408	408	441	465	493
Rebates, exemptions - pensioners (R'000)		–	–	2 000	2 288	2 288	2 288	2 472	2 607	2 764
Rebates, exemptions - bona fide farm. (R'000)		–	–	3 314	1 264	1 264	2 912	3 146	3 318	3 517
Rebates, exemptions - other (R'000)		21 272	23 174	21 680	22 273	22 273	20 406	20 944	23 253	24 648
Phase-in reductions/discounts (R'000)		–	–		–					
Total rebates, exemptns, reductns, discs (R'000)		21 272	23 174	27 327	26 233	26 233	26 014	27 003	29 643	31 422

References

1. All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
2. To give effect to rates policy
3. Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
4. Required to implement new system (FTE)
5. Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
6. Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
7. Included in rate revenue budget
8. In favour of the rate-payer

WC048 Knysna - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Current Year 2013/14																	
Valuation:																	
No. of properties		15 115	167	400	98	458	984	72	–	–	143	–	–	–	–	151	–
No. of sectional title property values		1 162	–	394	–	–	–	–	–	–	57	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		75	1	1	45	–	25	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		11	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	No	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?		Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform	Uniform
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6	20 053	389	4 173	298	536	387	7	–	–	113	–	–	–	–	19	–
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6	20 053	389	4 173	298	536	387	7	–	–	113	–	–	–	–	19	–
Rating:																	
Average rate	3	0.006122	0.012245	0.012245	0.001224	0.001531	0.001531	0.001531		0.006122	0.006122	0.001531		0.001531	0.001531	0.001531	
Rate revenue budget (R '000)		104 896	4 386	16 116	316	5 995		10								329	
Rate revenue expected to collect (R'000)		98 602	4 035	15 149	297	5 635		9								309	
Expected cash collection rate (%)	4	94.0%	94.0%	94.0%	94.0%	94.0%		94.0%								94.0%	
Special rating areas (R'000)																	
Rebates, exemptions - indigent (R'000)		0															
Rebates, exemptions - pensioners (R'000)		2															
Rebates, exemptions - bona fide farm. (R'000)																	
Rebates, exemptions - other (R'000)		2		0		1		0								0	
Phase-in reductions/discounts (R'000)		4		0		1		0								0	
Total rebates, exemptns, reductns, discs (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

WC048 Knysna - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
Budget Year 2014/15																	
Valuation:																	
No. of properties		15 538	173	398	97	458	984	72	–	–	143	–	–	–	–	151	–
No. of sectional title property values		1 130		400	–	–	–	–	–	–	57	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		84	5	4	30	–	50	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Years since last valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Frequency of valuation (select)		4	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market	Market
Base of valuation (select)		Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp	Land & Imp
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Combination of rating types used? (Y/N)		yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes	yes
Flat rate used? (Y/N)		no	no	no	no	no	no	no	no	no	no	no	no	no	no	no	no
Is balance rated by uniform rate/variable rate?		uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform	uniform
Valuation reductions:																	
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:																	
Total value used for rating (Rm)	6																
Total land value (Rm)	6																
Total value of improvements (Rm)	6																
Total market value (Rm)	6																
Total rebates,exemptns,eductns,discs (R'000)																	

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

WC048 Knysna - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Property rates (rate in the Rand)	1								
Residential properties			0.0053	0.0056		0.0057	0.0061	0.0066	0.0071
Residential properties - vacant land			0.0069	0.0072		0.0103	0.0069	0.0078	0.0088
Formal/informal settlements	n/a	-	-	-	-	-			
Small holdings	n/a	-	-	-	-	-			
Farm properties - used		Registered with SARS as bona	0.0011	0.0011		0.0011	0.0012	0.0132	0.0142
Farm properties - not used		Treated as for residential	-	-	-	-			
Industrial properties			0.0091	0.0097		0.0114	0.0122	0.0132	0.0142
Business and commercial properties			0.0091	0.0097		0.0114	0.0122	0.0132	0.0142
Communal land - residential	n/a	-	-	-	-	-			
Communal land - small holdings	n/a	-	-	-	-	-			
Communal land - farm property	n/a	-	-	-	-	-			
Communal land - business and commercial	n/a	-	-	-	-	-			
Communal land - other	n/a	-	-	-	-	-			
State-owned properties			0.0091	0.0097		0.0114	0.0015	0.0016	0.0018
Municipal properties			0.0091	0.0097		0.0114	0.0015	0.0016	0.0018
Public service infrastructure			0.0013	0.0014		0.0014	0.0015	0.0016	0.0018
Privately owned towns serviced by the owner	n/a	-	-	-	-	-			
State trust land	n/a	-	-	-	-	-			
Restitution and redistribution properties	n/a	-	-	-	-	-			
Protected areas			0.0053	0.0056		0.0057	0.0015	0.0016	0.0018
		Levied as residential or commercial dependent on usage with a rebate	-	-	-	-	0.0015	0.0016	0.0018
National monuments properties									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			20%	20%		15%	15%	15%	15%
Indigent rebate or exemption			100%	100%		100%	100%	100%	100%
Pensioners/social grants rebate or exemption			100%	100%		100%	100%	100%	100%
Temporary relief rebate or exemption	n/a	-	-	-	-	-			
Bona fide farmers rebate or exemption		Built into rate-in-the-rand							
Other rebates or exemptions	2	See SA13b for more							

WC048 Knysna - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Water tariffs									
Domestic									
Basic charge/fixed fee (<i>Rands/month</i>)		All rates shown excl VAT	91.15	97.72		113.45	121.39	129.89	138.98
Service point - vacant land (<i>Rands/month</i>)			148.39	155.84		165.21	177	189	202
Water usage - flat rate tariff (<i>c/kl</i>)		n/a	-	-		-			
Water usage - life line tariff		0 - 6kl	-	-		-			
Water usage - Block 1 (<i>c/kl</i>)		7 - 10kl	7.27	7.53		8.45	9.04	9.68	10.35
Water usage - Block 2 (<i>c/kl</i>)		11 - 15kl	11.68	12.08		13.58	14.53	15.54	16.63
Water usage - Block 3 (<i>c/kl</i>)		16 - 20kl	11.68	12.08		13.58	14.53	15.54	16.63
Water usage - Block 4 (<i>c/kl</i>)		21 - 30kl	13.43	13.89		15.61	16.70	17.87	19.13
Other	2	See SA13b for more							
Waste water tariffs									
Domestic									
Basic charge/fixed fee (<i>Rands/month</i>)		All rates shown excl VAT	45.58	53.75		54.08	57.87	61.92	66.25
Service point - vacant land (<i>Rands/month</i>)			147.95	155.34		164.84	176.38	188.73	201.94
Waste water - flat rate tariff (<i>c/kl</i>)		n/a	-	-		-	-	-	-
Volumetric charge - Block 1 (<i>c/kl</i>)		Phased out (incl in water	-	-		-	-	-	-
Volumetric charge - Block 2 (<i>c/kl</i>)		Phased out	-	-		-	-	-	-
Volumetric charge - Block 3 (<i>c/kl</i>)		Phased out	-	-		-	-	-	-
Volumetric charge - Block 4 (<i>c/kl</i>)		Phased out	-	-		-	-	-	-
Other	2	See SA13b for more							
Electricity tariffs									
Domestic									
Basic charge/fixed fee (<i>Rands/month</i>)		All rates shown excl VAT	69.00	69.00		71.10	76.08	81.40	87.10
Service point - vacant land (<i>Rands/month</i>)			140.79	140.79		155.56	166.45	178.10	190.57
FBE		All consumers on a 20Amp	50kWh	50kWh		50kWh	50kWh	50kWh	50kWh
Life-line tariff - meter		n/a	-	-		-	-	-	-
Life-line tariff - prepaid		All consumers on a 20Amp	-	-		-	-	-	-
Flat rate tariff - meter (<i>c/kwh</i>)		0.77	Phased out		Phased out	Phased out	Phased out	Phased out	Phased out
Flat rate tariff - prepaid (<i>c/kwh</i>)		Daily rate from 2011/12	0.63403	Phased out		Phased out	Phased out	Phased out	Phased out
Meter - IBT Block 1 (<i>c/kwh</i>)		(fill in thresholds)	-	-		0.69	0.74	0.79	0.85
Meter - IBT Block 2 (<i>c/kwh</i>)		(fill in thresholds)	-	-		0.85	0.91	0.97	1.04
Meter - IBT Block 3 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.15	1.23	1.32	1.41
Meter - IBT Block 4 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.25	1.34	1.43	1.53
Meter - IBT Block 5 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.34	1.43	1.53	1.64
Prepaid - IBT Block 1 (<i>c/kwh</i>)		(fill in thresholds)	-	-		0.69	0.74	0.79	0.85
Prepaid - IBT Block 2 (<i>c/kwh</i>)		(fill in thresholds)	-	-		0.85	0.91	0.97	1.04
Prepaid - IBT Block 3 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.15	1.23	1.32	1.41
Prepaid - IBT Block 4 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.25	1.34	1.43	1.53
Prepaid - IBT Block 5 (<i>c/kwh</i>)		(fill in thresholds)	-	-		1.34	1.43	1.53	1.64
Other	2	See SA13b for more							
Waste management tariffs									
Domestic									
Street cleaning charge		All rates shown excl VAT	-	-		-			
Basic charge/fixed fee		Monthly fee for 1 removal per	47.15	50.54		53.85	57.62	61.65	65.97

WC048 Knysna - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2010/11	2011/12	2012/13	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework		
							Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
80l bin - once a week		Standardised per above	-	-		-			
250l bin - once a week		Standardised per above	-	-		-			

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

WC048 Knysna - Supporting Table SA13b Service Tariffs by category - explanatory

[illegible]

WC048 Knysna - Supporting Table SA14 Household bills

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15 % incr.	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		236.40	249.40	236.37	242.05	242.05	242.05	7.5%	275.51	312.63	336.07
Electricity: Basic levy		69.00	69.00	69.00	69.00	71.00	71.00	7.0%	76.00	80.00	85.00
Electricity: Consumption		770.00	906.50	1 029.00	1 091.27	1 091.27	1 091.27	6.5%	1 169.51	1 249.06	1 334.00
Water: Basic levy		97.52	100.95	107.02	113.45	113.45	113.45	7.5%	121.93	131.07	140.86
Water: Consumption		134.30	289.82	306.18	325.61	325.16	325.16	7.6%	350.16	376.24	404.46
Sanitation		45.54	47.15	50.00	54.09	54.09	54.09	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		-	-	-	-	-	-		-	-	-
sub-total		1 399.91	1 712.31	1 848.52	1 949.35	1 950.89	1 950.89	8.2%	2 109.71	2 274.88	2 436.36
VAT on Services		162.89	204.81	225.70	239.03	239.03	2 868.36		256.79	274.72	294.04
Total large household bill:		1 562.80	1 917.12	2 074.22	2 188.38	2 189.92	4 819.25	8.1%	2 366.50	2 549.60	2 730.40
% increase/-decrease			22.7%	8.2%	5.5%	0.1%	120.1%		(50.9%)	7.7%	7.1%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		165.83	174.95	161.93	161.37	161.37	161.37	7.5%	183.67	208.42	224.05
Electricity: Basic levy		69.00	69.00	69.00	69.00	87.00	87.00	5.7%	76.00	80.00	85.00
Electricity: Consumption		385.00	389.50	437.50	463.75	463.75	463.75	6.5%	494.25	527.93	563.83
Water: Basic levy		97.52	100.95	107.02	113.45	113.44	113.44	7.5%	121.93	131.07	140.86
Water: Consumption		213.03	220.37	233.53	247.54	247.54	247.54	7.6%	266.26	286.04	307.51
Sanitation		45.54	47.15	50.00	54.09	54.09	54.09	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		-	-	-	-	-	-		-	-	-
sub-total		1 023.07	1 051.41	1 109.93	1 163.07	1 181.06	1 181.06	8.2%	1 258.71	1 359.34	1 457.22
VAT on Services		120.01	122.70	132.72	140.24	140.24	1 682.88		150.51	161.13	172.64
Total small household bill:		1 143.08	1 174.11	1 242.65	1 303.31	1 321.30	2 863.94	8.1%	1 409.22	1 520.47	1 629.86
% increase/-decrease			2.7%	5.8%	4.9%	1.4%	116.8%		(50.8%)	7.9%	7.2%
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		95.27	100.50	94.18	80.68	80.68	80.68	7.5%	91.84	104.21	112.02
Electricity: Basic levy		69.00	69.00	69.00	39.75	39.75	39.75	7.2%	42.61	45.50	48.59
Electricity: Consumption		231.00	213.00	243.00	257.58	257.58	257.58	6.5%	272.88	291.57	311.40
Water: Basic levy		97.52	100.95	107.02	113.45	113.44	113.44	7.5%	121.93	131.07	140.86
Water: Consumption		145.88	150.92	159.88	169.47	169.47	169.47	7.6%	182.36	195.84	210.56
Sanitation		45.54	47.15	50.00	54.09	54.00	54.00	8.2%	58.41	63.09	68.13
Refuse removal		47.15	49.49	50.95	53.87	53.87	53.87	7.7%	58.19	62.79	67.84
Other		-	-	-	-	-	-		-	-	-
sub-total		731.36	731.01	774.03	768.90	768.79	768.79	7.7%	828.22	894.07	959.40
VAT on Services		89.05	88.27	95.18	96.36	96.36	1 156.32		103.09	110.58	118.63
Total small household bill:		820.41	819.28	869.21	865.26	865.15	1 925.11	7.6%	931.31	1 004.65	1 078.03
% increase/-decrease			(0.1%)	6.1%	(0.5%)	(0.0%)	122.5%		(51.6%)	7.9%	7.3%

References

- 1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
- 2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
- 3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

WC048 Knysna - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand											
<u>Parent municipality</u>											
Securities - National Government	1	-	-	-	-	-	-	-	-	-	
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-	
Deposits - Bank		46 536	47 726	42 301	59 381	38 167	38 167	36 982	40 960	48 116	
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-	
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-	
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-	
Municipal Bonds		-	-	-	-	-	-	-	-	-	
Municipality sub-total			46 536	47 726	42 301	59 381	38 167	38 167	36 982	40 960	48 116
<u>Entities</u>											
Securities - National Government			-	-	-	-	-	-	-	-	-
Listed Corporate Bonds			-	-	-	-	-	-	-	-	-
Deposits - Bank			-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners			-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits			-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates	-		-	-	-	-	-	-	-	-	
Negotiable Certificates of Deposit - Banks	-		-	-	-	-	-	-	-	-	
Guaranteed Endowment Policies (sinking)	-		-	-	-	-	-	-	-	-	
Repurchase Agreements - Banks	-		-	-	-	-	-	-	-	-	
Entities sub-total		-	-	-	-	-	-	-	-	-	
Consolidated total:		46 536	47 726	42 301	59 381	38 167	38 167	36 982	40 960	48 116	

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

WC048 Knysna - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate 3.	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
Name of institution & investment ID	Yrs/Months												
Parent municipality													
Investec	15 yrs	Term deposit	No	Fixed	12.3	None	None	24 April 2017	20 167	2 480	(665)		-
Nedbank - Business	120 days	Term deposit	No	Fixed		None	None	09 July 2013		incl in monetary value			-
Nedbank Retail	Call	Call deposit	No	Variable	5.1 - 5.6	None	None	n/a		incl in monetary value			-
Old Mutual	Call	Call deposit	No	Variable	5.1 - 5.6	0.005	None	n/a		incl in monetary value			-
Standard Bank	Call	Call deposit	No	Variable	5.1 - 5.6	None	None	n/a		incl in monetary value			-
Municipality sub-total									20 167		(665)	-	21 982
Entities													
n/a													-
Entities sub-total									-		-	-	-
TOTAL INVESTMENTS AND INTEREST									20 167		(665)	-	21 982

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

WC048 Knysna - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
<u>Parent municipality</u>										
Long-Term Loans (annuity/reducing balance)		157 263	147 711	128 678	132 507	116 502	116 502	114 935	113 244	111 417
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		711	711	711	711	711	711	711	711	711
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		1 188	1 127	208	1 178	208	208	133	83	33
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	159 162	149 548	129 597	134 396	117 421	117 421	115 779	114 038	112 161
Total Borrowing	1	159 162	149 548	129 597	134 396	117 421	117 421	115 779	114 038	112 161

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		21 700	17 243	–	–	8 083	8 083	–	–	–
Long-Term Loans (non-annuity)		–	–	–	–	–	–	–	–	–
Local registered stock		–	–	–	–	–	–	–	–	–
Instalment Credit		–	–	–	–	–	–	–	–	–
Financial Leases		–	–	–	–	–	–	–	–	–
PPP liabilities		–	–	–	–	–	–	–	–	–
Finance Granted By Cap Equipment Supplier		–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–
Non-Marketable Bonds		–	–	–	–	–	–	–	–	–
Bankers Acceptances		–	–	–	–	–	–	–	–	–
Financial derivatives		–	–	–	–	–	–	–	–	–
Other Securities		–	–	–	–	–	–	–	–	–
Municipality sub-total	1	21 700	17 243	–	–	8 083	8 083	–	–	–
Total Unspent Borrowing	1	21 700	17 243	–	–	8 083	8 083	–	–	–

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

WC048 Knysna - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		26 685	31 651	36 749	43 448	43 448	43 448	52 523	62 928	69 581
Local Government Equitable Share		22 279	26 687	30 859	35 982	35 982	35 982	44 808	55 858	62 098
DWA: Masibambane		–	–	–	–	–	–	–	–	–
Finance Management		992	1 250	1 250	1 300	1 300	1 300	1 450	1 500	1 700
Municipal Systems Improvement		818	790	800	890	890	890	934	967	1 018
CoGTA: Municipal Infrastructure Grant (MIG)		2 471	2 372	3 007	3 539	3 539	3 539	4 085	4 235	4 397
DME: Integrated National Electrification (INEP)		125	552	660	737	737	737	246	368	368
Neighbourhood Development Partnership Grant(NDPG)		–	–	43	–	–	–	–	–	–
Extended Public Works Program		–	–	130	1 000	1 000	1 000	1 000	–	–
Provincial Government:		35 458	57 011	42 487	38 429	39 639	39 639	16 356	37 684	46 668
LG&H: Integrated Housing & Human Settlements		34 509	56 428		32 577	32 577	32 577	12 876	34 299	43 080
LG&H: Community Development Worker		26	46	105	–	10	10	53	56	59
LG&H: Housing Consumer Education		52	–	41 492	–	–	–	–	–	–
PW: Maintenance of Proclaimed Roads		–	–		221	221	221	286	–	–
CA: Library Conditional Operational		511	538	540	804	804	804	3 141	3 329	3 529
SD: Poverty Alleviation		282	–		–	–	–	–	–	–
Prov Grant - Ward Based Projects		40	–		–	–	–	–	–	–
Prov Grant - Local Government Project Preparation		–	–		–	–	–	–	–	–
LG&H: Performance Management		38	–		–	–	–	–	–	–
PT: LG Financial Management Support Grant		–	–	350	–	–	–	–	–	–
PW: Hazardous Locations		–	–		4 827	4 827	4 827	–	–	–
PT Finance Management		–	–		–	400	400	–	–	–
PT: LG Management Support Grant		–	–		–	800	800	–	–	–
Prov Grant - Upgrade B-Field - Lorie Park		–	–		–	–	–	–	–	–
Prov Grant - Public Transport Facility (Trans P/W)		–	–		–	–	–	–	–	–
CA: Sportsfields		–	–		–	–	–	–	–	–
District Municipality:		90	–	–	–	–	–	–	–	–
Dist Grant - Knysna Municipality Bio Diversity		90	–		–	–	–	–	–	–
Other grant providers:		709	–	–	–	–	–	–	–	–
Other Grant - LG Seta Learnerships		76	–		–	–	–	–	–	–
Other Grant - IDC:Development Agency		548	–		–	–	–	–	–	–
Other Grant - Danish Football Federation		–	–	–	–	–	–	–	–	–
Other Grant - UYF: Youth Advisory Centre		85	–		–	–	–	–	–	–
Total Operating Transfers and Grants	5	62 943	88 663	79 236	81 877	83 087	83 087	68 879	100 612	116 249
Capital Transfers and Grants										
National Government:		33 163	25 429	26 383	24 969	24 969	24 969	21 317	22 901	23 680
CoGTA: Municipal Infrastructure Grant (MIG)		17 814	17 561	21 173	19 706	19 706	19 706	19 563	20 269	21 048
DME: Integrated National Electrification (INEP)		1 327	3 748	4 340	5 263	5 263	5 263	1 754	2 632	2 632
NT: Neighbourhood Development Partnership (NDPG)		1 399	4 120		–	–	–	–	–	–
Municipal Systems Improvement		–	–		–	–	–	–	–	–
Nat Grant - Municipal Disaster Management Grant (MDMG)		12 585	–		–	–	–	–	–	–
Nat Grant - Bulk Infrastructure Grant		–	–		–	–	–	–	–	–
Extended Public Works Program		–	–	870	–	–	–	–	–	–
Finance Management		38	–		–	–	–	–	–	–
Provincial Government:		3 929	3 924	13 944	17 916	17 955	17 955	18 132	13 500	10 125
LG&H: Integrated Housing & Human Settlements		3 087	3 092	13 892	14 000	14 000	14 000	18 132	13 500	10 125
CA: Library Conditional Operational		–	–		1 516	1 516	1 516	–	–	–
LG&H: Community Development Worker		15	32	52	–	39	39	–	–	–
PW: Public Transport Infrastructure		–	800		–	–	–	–	–	–
LG&H: Performance Management		4	–		–	–	–	–	–	–
Distribution of land		823	–		–	–	–	–	–	–
PW: Hazardous Locations		–	–		2 400	2 400	2 400	–	–	–
District Municipality:		200	–	–	–	–	–	–	–	–
Dist Grant - Karatara Water Meters		200	–		–	–	–	–	–	–
Other grant providers:		420	–	–	–	–	–	–	–	–
Other Grant - National Lottery(Sport & Recreation)		–	–		–	–	–	–	–	–
Other Grant - French Football Federation		–	–		–	–	–	–	–	–
Other Grant - Govan Mbeki Housing Award		420	–		–	–	–	–	–	–
Total Capital Transfers and Grants	5	37 711	29 353	40 327	42 885	42 924	42 924	39 449	36 401	33 805
TOTAL RECEIPTS OF TRANSFERS & GRANTS		100 654	118 016	119 563	124 762	126 011	126 011	108 328	137 013	150 054

References

- Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
- Amounts actually **RECEIVED**; not revenue recognised (objective is to confirm grants transferred)
- Replacement of RSC levies
- Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
- Total transfers and grants must reconcile to Budgeted Cash Flows
- Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

WC048 Knysna - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		26 685	31 553	36 566	43 448	43 448	43 448	52 523	62 928	69 581
Local Government Equitable Share		22 279	26 687	30 859	35 982	35 982	35 982	44 808	55 858	62 098
DWA: Masibambane		-	-	-	-	-	-	-	-	-
Finance Management		992	1 219	1 250	1 300	1 300	1 300	1 450	1 500	1 700
Municipal Systems Improvement		818	722	800	890	890	890	934	967	1 018
CoGTA: Municipal Infrastructure Grant (MIG)		2 471	2 372	3 007	3 539	3 539	3 539	4 085	4 235	4 397
DME: Integrated National Electrification (INEP)		125	552	519	737	737	737	246	368	368
Neighbourhood Development Partnership Grant(NDPG)		-	-	0	-	-	-	-	-	-
Extended Public Works Program		-	-	130	1 000	1 000	1 000	1 000	-	-
Provincial Government:		35 458	57 629	47 197	38 429	38 463	38 463	16 356	37 684	46 668
LG&H: Integrated Housing & Human Settlements		34 509	56 842	46 380	32 577	32 577	32 577	12 876	34 299	43 080
LG&H: Community Development Worker		26	46	29	-	34	34	53	56	59
LG&H: Housing Consumer Education		52	19	-	-	-	-	-	-	-
PW: Maintenance of Proclaimed Roads		-	-	-	221	221	221	286	-	-
CA: Library Conditional Operational		511	527	603	804	804	804	3 141	3 329	3 529
SD: Poverty Alleviation		282	36	0	-	-	-	-	-	-
Prov Grant - Ward Based Projects		40	-	-	-	-	-	-	-	-
Prov Grant - Local Government Project Preparation		-	-	-	-	-	-	-	-	-
LG&H: Performance Management		38	20	-	-	-	-	-	-	-
PT: LG Financial Management Support Grant		-	-	114	-	-	-	-	-	-
PW: Hazardous Locations		-	-	-	4 827	4 827	4 827	-	-	-
PT Finance Management		-	-	-	-	-	-	-	-	-
PT: LG Management Support Grant		-	-	-	-	-	-	-	-	-
Prov Grant - Upgrade B-Field - Loerie Park		-	-	60	-	-	-	-	-	-
Prov Grant - Public Transport Facility (Trans P/W)		-	-	11	-	-	-	-	-	-
CA: Sportsfields		-	140	-	-	-	-	-	-	-
District Municipality:		90	-	-	-	-	-	-	-	-
<i>Dist Grant - Knysna Municipality Bio Diversity</i>		90	-	-	-	-	-	-	-	-
Other grant providers:		709	49	56	-	-	-	-	-	-
<i>Other Grant - LG Seta Learnerships</i>		76	-	-	-	-	-	-	-	-
<i>Other Grant - IDC:Development Agency</i>		548	-	-	-	-	-	-	-	-
<i>Other Grant - Danish Football Federation</i>		-	49	56	-	-	-	-	-	-
<i>Other Grant - UYF: Youth Advisory Centre</i>		85	-	-	-	-	-	-	-	-
Total operating expenditure of Transfers and Grants:		62 943	89 231	83 819	81 877	81 911	81 911	68 879	100 612	116 249
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		33 163	27 112	26 383	24 969	24 969	24 969	21 317	22 901	23 680
CoGTA: Municipal Infrastructure Grant (MIG)		17 814	15 405	21 173	19 706	19 706	19 706	19 563	20 269	21 048
DME: Integrated National Electrification (INEP)		1 327	3 943	4 340	5 263	5 263	5 263	1 754	2 632	2 632
NT: Neighbourhood Development Partnership (NDPG)		1 399	7 764	-	-	-	-	-	-	-
Municipal Systems Improvement		-	-	-	-	-	-	-	-	-
Nat Grant - Municipal Disaster Management Grant (MDM)		12 585	-	-	-	-	-	-	-	-
Nat Grant - Bulk Infrastructure Grant		-	-	-	-	-	-	-	-	-
Extended Public Works Program		-	-	870	-	-	-	-	-	-
Finance Management		38	-	-	-	-	-	-	-	-
Provincial Government:		3 929	3 328	14 472	17 916	18 171	18 171	18 132	13 500	10 125
LG&H: Integrated Housing & Human Settlements		3 087	3 092	13 593	17 916	17 916	17 916	18 132	13 500	10 125
CA: Library Conditional Operational		-	-	-	-	-	-	-	-	-
LG&H: Community Development Worker		15	32	52	-	39	39	-	-	-
PW: Public Transport Infrastructure		-	204	827	-	216	216	-	-	-
LG&H: Performance Management		4	-	-	-	-	-	-	-	-
Distribution of land		823	-	-	-	-	-	-	-	-
PW: Hazardous Locations		-	-	-	-	-	-	-	-	-
District Municipality:		200	-	-	-	-	-	-	-	-
<i>Dist Grant - Karatara Water Meters</i>		200	-	-	-	-	-	-	-	-
Other grant providers:		420	239	169	-	58	58	-	-	-
<i>Other Grant - National Lottery(Sport & Recreation)</i>		-	-	-	-	-	-	-	-	-
<i>Other Grant - French Football Federation</i>		-	239	169	-	58	58	-	-	-
<i>Other Grant - Govan Mbeki Housing Award</i>		420	-	-	-	-	-	-	-	-
Total capital expenditure of Transfers and Grants		37 711	30 679	41 023	42 885	43 198	43 198	39 449	36 401	33 805
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		100 654	119 910	124 842	124 762	125 109	125 109	108 328	137 013	150 054

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

WC048 Knysna - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	216	315	–	–	–	–	–	–
Current year receipts		26 685	31 651	36 749	43 448	43 448	43 448	52 523	62 928	69 581
Conditions met - transferred to revenue		26 685	31 553	36 749	43 448	43 448	43 448	52 523	62 928	69 581
Conditions still to be met - transferred to liabilities		–	315	315	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	(50)	(668)	–	260	260	–	–	–
Current year receipts		35 458	57 011	42 487	38 429	39 639	39 639	16 356	37 684	46 668
Conditions met - transferred to revenue		35 458	57 629	47 014	38 429	39 899	39 899	16 356	37 684	46 668
Conditions still to be met - transferred to liabilities		–	(668)	(5 195)	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	150	150	–	–	–	–	–	–
Current year receipts		90	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		90	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	150	150	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	264	215	–	–	–	–	–	–
Current year receipts		709	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		709	49	56	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	215	159	–	–	–	–	–	–
Total operating transfers and grants revenue		62 943	89 231	83 819	81 877	83 347	83 347	68 879	100 612	116 249
Total operating transfers and grants - CTBM	2	–	12	(4 572)	–	–	–	–	–	–
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		–	658	(1 026)	–	–	–	–	–	–
Current year receipts		33 163	25 429	26 383	24 969	24 969	24 969	21 317	22 901	23 680
Conditions met - transferred to revenue		33 163	27 112	26 199	24 969	24 969	24 969	21 317	22 901	23 680
Conditions still to be met - transferred to liabilities		–	(1 026)	(842)	–	–	–	–	–	–
Provincial Government:										
Balance unspent at beginning of the year		–	458	1 055	–	216	216	–	–	–
Current year receipts		3 929	3 924	13 944	17 916	17 955	17 955	18 132	13 500	10 125
Conditions met - transferred to revenue		3 929	3 328	14 655	17 916	18 171	18 171	18 132	13 500	10 125
Conditions still to be met - transferred to liabilities		–	1 055	343	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		200	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		200	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	465	226	–	58	58	–	–	–
Current year receipts		420	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		420	239	169	–	58	58	–	–	–
Conditions still to be met - transferred to liabilities		–	226	58	–	–	–	–	–	–
Total capital transfers and grants revenue		37 711	30 679	41 023	42 885	43 198	43 198	39 449	36 401	33 805
Total capital transfers and grants - CTBM	2	–	255	(441)	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE		100 654	119 910	124 842	124 762	126 545	126 545	108 328	137 013	150 054
TOTAL TRANSFERS AND GRANTS - CTBM		–	267	(5 013)	–	–	–	–	–	–

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

WC048 Knysna - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14				2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand											
Cash Transfers to Organisations											
Leisure Isle Residents Association	4	–	–	32	84	84	84	84	38	40	41
Animal Welfare		214	214	350	400	400	400	400	432	458	460
Grants-in-aid and Donations		721	628	771	719	719	719	719	776	830	835
Knysna Tourism		4 240	4 495	4 300	4 000	4 000	4 000	4 000	4 000	4 000	4 000
Local Economic Development		–	–	–	–	–	–	–	–	–	–
HIV/AIDS		–	–	–	–	–	–	–	–	–	–
Total Cash Transfers To Organisations		5 175	5 337	5 452	5 203	5 203	5 203	5 203	5 246	5 328	5 336
Cash Transfers to Groups of Individuals											
Bursary Scheme	5	195	179	8	239	29	29	29	258	273	280
Grants-in-aid and Donations		473	268	150	200	200	200	200	200	250	300
Total Cash Transfers To Groups Of Individuals:		668	447	158	439	229	229	229	458	523	580
TOTAL CASH TRANSFERS AND GRANTS	6	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916
TOTAL TRANSFERS AND GRANTS	6	5 843	5 784	5 610	5 642	5 432	5 432	5 432	5 704	5 851	5 916

References

- 1. Insert description listed by municipal name and demarcation code of recipient
- 2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
- 3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
- 4. Insert description of each other organisation (e.g. charity)
- 5 Insert description of each other organisation (e.g. the aged, child-headed households)
- 6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

WC048 Knysna - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)	1									
Basic Salaries and Wages		2 933	3 730	3 917	4 175	4 175	4 175	4 383	4 602	4 832
Pension and UIF Contributions		171	200	236	244	244	244	256	269	282
Medical Aid Contributions		63	85	69	78	78	78	82	86	90
Motor Vehicle Allowance		1 093	1 339	1 407	1 557	1 557	1 557	1 634	1 716	1 801
Cellphone Allowance		218	266	279	294	294	294	310	326	341
Housing Allowances		110	–	–	–	–	–	–	–	–
Other benefits and allowances		–	–	–	–	–	–	–	–	–
Sub Total - Councillors		4 588	5 619	5 908	6 348	6 348	6 348	6 665	6 998	7 346
% increase	4		22.5%	5.1%	7.5%	–	–	5.0%	5.0%	5.0%
Senior Managers of the Municipality	2									
Basic Salaries and Wages		4 677	4 621	3 754	5 678	5 678	5 678	6 894	7 335	7 783
Pension and UIF Contributions		674	654	297	588	588	588	481	512	543
Medical Aid Contributions		53	65	29	76	76	76	124	132	140
Overtime		–	–	–	–	–	–	–	–	–
Performance Bonus		164	335	454	898	898	898	220	234	248
Motor Vehicle Allowance	3	445	506	170	477	477	477	439	467	496
Cellphone Allowance	3	–	–	58	–	–	–	–	–	–
Housing Allowances	3	–	–	–	–	–	–	–	–	–
Other benefits and allowances	3	116	308	–	167	167	167	225	239	253
Payments in lieu of leave		–	–	155	–	–	–	–	–	–
Long service awards		–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		6 129	6 488	4 918	7 884	7 884	7 884	8 383	8 920	9 464
% increase	4		5.9%	(24.2%)	60.3%	–	–	6.3%	6.4%	6.1%
Other Municipal Staff										
Basic Salaries and Wages		70 968	79 348	83 795	99 530	92 421	92 421	97 090	109 201	115 834
Pension and UIF Contributions		12 141	13 026	14 681	16 815	17 567	17 567	19 173	20 422	21 668
Medical Aid Contributions		7 032	7 501	8 259	10 594	10 999	10 999	11 743	12 517	13 280
Overtime		7 317	8 881	10 491	6 345	7 510	7 510	7 006	7 409	7 801
Performance Bonus		5 319	5 739	7 014	6 913	7 160	7 160	7 825	8 374	8 885
Motor Vehicle Allowance	3	2 732	2 751	3 557	3 407	3 491	3 491	4 055	4 308	4 565
Cellphone Allowance	3	–	–	(58)	–	–	–	–	–	–
Housing Allowances	3	1 351	1 393	1 493	1 769	1 896	1 896	2 049	2 187	2 320
Other benefits and allowances	3	3 482	4 247	5 330	5 051	5 170	5 170	5 313	5 738	6 084
Payments in lieu of leave		1 263	1 337	2 814	1 518	1 518	1 518	1 518	1 594	1 673
Long service awards		1 129	1 436	1 553	1 480	1 480	1 480	1 524	1 570	1 649
Post-retirement benefit obligations	6	6 153	7 265	8 078	7 483	7 483	7 483	7 707	7 938	8 335
Sub Total - Other Municipal Staff		118 886	132 926	147 007	160 905	156 694	156 694	165 003	181 256	192 094
% increase	4		11.8%	10.6%	9.5%	(2.6%)	–	5.3%	9.9%	6.0%
Total Parent Municipality		129 603	145 034	157 832	175 138	170 927	170 927	180 051	197 174	208 904
			11.9%	8.8%	11.0%	(2.4%)	–	5.3%	9.5%	5.9%
TOTAL SALARY, ALLOWANCES & BENEFITS		129 603	145 034	157 832	175 138	170 927	170 927	180 051	197 174	208 904
% increase	4		11.9%	8.8%	11.0%	(2.4%)	–	5.3%	9.5%	5.9%
TOTAL MANAGERS AND STAFF	5,7	125 015	139 414	151 924	168 789	164 578	164 578	173 386	190 176	201 558

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

- A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited
- D. The original budget approved by council for the budget year.
- E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.
- F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.
- G. The amount to be appropriated for the budget year.
- H and I. The indicative projection

WC048 Knysna - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		427 030		164 255			591 285
Chief Whip			–		–			–
Executive Mayor			533 788		199 841			733 629
Deputy Executive Mayor			427 030		164 255			591 285
Executive Committee			1 231 025		466 076			1 697 101
Total for all other councillors			2 128 075		923 624			3 051 699
Total Councillors	8	–	4 746 949	–	1 918 051			6 665 000
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 055 268	191 732	60 000	182 980		1 489 980
Chief Finance Officer			1 222 640	36 000	37 292	181 430		1 477 362
Director: Corporate Services			774 129	231 128	43 954	134 289		1 183 500
Director: Planning & Development			1 037 211	1 784	42 000	151 339		1 232 335
Director: Technical Services			904 399	1 784	62 400	145 377		1 113 960
Director: Community Services			658 723	152 447	133 202	127 719		1 072 091
Senior Manager: Electrotechnical Services			489 546	154 412	129 497	40 798		814 252
								–
Total Senior Managers of the Municipality	8,10	–	6 141 915	769 287	508 345	963 933		8 383 480
A Heading for Each Entity	6,7							
List each member of board by designation								
								–
								–
Total for municipal entities	8,10	–	–	–	–	–		–
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	–	10 888 865	769 287	2 426 396	963 933		15 048 480

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

WC048 Knysna - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2012/13			Current Year 2013/14			Budget Year 2014/15		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			19	–	19	19	–	19	19	–	19
Board Members of municipal entities		4	–	–	–	–	–	–	–	–	–
Municipal employees											
Municipal Manager and Senior Managers		3	7	1	4	7	1	6	7	1	6
Other Managers		7	30	26	2	27	27	–	27	27	–
Professionals			56	56	–	59	59	–	62	62	–
Finance			10	10	–	12	12	–	16	16	–
Spatial/town planning			9	9	–	11	11	–	14	14	–
Information Technology			2	2	–	2	2	–	2	2	–
Roads			2	2	–	2	2	–	–	–	–
Electricity			3	3	–	3	3	–	1	1	–
Water			4	4	–	3	3	–	–	–	–
Sanitation			–	–	–	2	2	–	–	–	–
Refuse			2	2	–	–	–	–	–	–	–
Other			24	24	–	24	24	–	29	29	–
Technicians			33	30	3	36	36	–	15	15	–
Finance			10	10	–	11	11	–	2	2	–
Spatial/town planning			6	6	–	5	5	–	1	1	–
Information Technology			6	3	3	6	6	–	2	2	–
Roads			–	–	–	2	2	–	4	4	–
Electricity			–	–	–	2	2	–	1	1	–
Water			1	1	–	2	2	–	5	5	–
Sanitation			–	–	–	2	2	–	–	–	–
Refuse			1	1	–	1	1	–	–	–	–
Other			9	9	–	5	5	–	–	–	–
Clerks (Clerical and administrative)			160	138	22	157	157	–	184	175	9
Service and sales workers			59	34	25	56	56	–	57	53	4
Skilled agricultural and fishery workers			–	–	–	–	–	–	–	–	–
Craft and related trades			81	80	1	81	81	–	40	40	–
Plant and Machine Operators			41	41	–	42	42	–	56	55	1
Elementary Occupations			325	289	36	323	298	25	282	272	10
TOTAL PERSONNEL NUMBERS		9	811	695	112	807	757	50	749	700	49
% increase						(0.5%)	8.9%	(55.4%)	(7.2%)	(7.5%)	(2.0%)
Total municipal employees headcount		6, 10	792	695	93	788	757	31	719	690	29
Finance personnel headcount		8, 10	89	88	1	90	89	1	96	90	6
Human Resources personnel headcount		8, 10	8	7	1	8	7	1	11	11	–

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number of persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions
9. Correct as at 30 June
10. Must account for all budgeted positions, as per the municipal organogram

WC048 Knysna - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Revenue By Source																	
Property rates			159 673	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	159 457	167 021	177 042
Property rates - penalties & collection charges			234	234	234	234	234	234	234	234	234	234	234	235	2 804	2 972	3 150
Service charges - electricity revenue			20 064	15 529	15 454	15 285	15 262	16 526	16 059	14 585	15 724	15 452	14 771	18 501	193 213	206 352	220 384
Service charges - water revenue			14 896	3 379	2 929	2 358	2 853	2 619	4 298	3 264	3 237	3 351	2 486	3 234	48 904	51 838	54 948
Service charges - sanitation revenue			10 808	60	60	60	60	59	62	60	61	59	60	59	11 469	12 157	12 886
Service charges - refuse revenue			15 299	6	6	4	5	4	4	5	3	6	6	6	15 352	16 274	17 250
Service charges - other			335	290	335	286	297	302	290	297	320	302	303	292	3 648	3 867	4 099
Rental of facilities and equipment			352	274	340	347	349	345	457	386	378	380	384	1 037	5 030	5 331	5 651
Interest earned - external investments			58	58	222	58	58	304	222	222	222	222	222	474	2 346	3 251	7 061
Interest earned - outstanding debtors			309	313	299	325	309	305	264	272	255	263	156	179	3 250	3 413	3 582
Dividends received			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines			1 345	1 321	1 238	1 330	1 282	1 290	1 318	1 360	1 528	1 300	334	1 466	15 111	15 867	16 659
Licences and permits			143	137	143	163	147	113	200	189	202	180	200	180	1 998	2 097	2 202
Agency services			157	157	146	171	149	142	151	147	130	141	154	155	1 800	1 890	1 985
Transfers recognised - operational			19 064	1 133	1 282	1 016	2 436	15 205	1 654	2 413	13 538	1 517	1 884	7 736	68 879	100 612	116 249
Other revenue			594	92	371	36	158	358	56	136	344	78	101	968	3 291	3 309	3 142
Gains on disposal of PPE			3	3	3	3	3	3	3	3	3	3	3	223	250	300	350
Total Revenue (excluding capital transfers and contribution)			243 333	22 966	23 042	21 656	23 584	37 789	25 252	23 553	36 160	23 467	21 276	34 724	536 801	596 550	646 642
Expenditure By Type																	
Employee related costs			12 290	13 777	21 674	12 782	20 464	13 191	13 111	13 289	12 851	13 557	13 604	12 795	173 386	190 176	201 558
Remuneration of councillors			525	525	525	525	525	525	560	650	572	572	572	590	6 665	6 998	7 346
Debt impairment			2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 099	2 109	25 196	26 746	28 443
Depreciation & asset impairment			2 351	2 350	2 350	2 350	2 349	2 349	2 349	2 349	2 349	2 349	2 349	2 354	28 199	27 683	27 262
Finance charges			-	-	3 947	-	-	5 212	-	-	3 947	-	-	5 394	18 500	18 200	18 001
Bulk purchases			82	18 993	15 782	9 305	9 305	9 305	9 305	9 305	9 305	9 305	9 305	27 941	137 236	148 297	158 678
Other materials			725	933	882	913	2 522	1 633	1 935	1 554	480	1 107	849	3 074	16 607	17 678	18 564
Contracted services			921	1 487	1 917	2 110	1 588	2 707	1 970	2 166	1 799	1 645	1 422	2 628	22 360	23 794	25 004
Transfers and grants			460	945	523	439	408	390	453	388	419	415	479	384	5 704	5 851	5 916
Other expenditure			7 847	7 716	7 277	7 297	6 646	5 228	6 032	9 398	12 793	10 401	9 237	20 374	110 247	122 416	124 807
Loss on disposal of PPE			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure			27 301	48 825	56 976	37 819	45 906	42 638	37 815	41 199	46 613	41 450	39 916	77 643	544 100	587 837	615 578
Surplus/(Deficit)			216 032	(25 859)	(33 935)	(16 164)	(22 322)	(4 850)	(12 563)	(17 645)	(10 452)	(17 983)	(18 639)	(42 919)	(7 298)	8 713	31 064
Transfers recognised - capital			-	-	7 987	-	-	7 749	395	1 468	9 324	2 066	1 000	9 459	39 449	36 401	33 805
Contributions recognised - capital			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions			216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869
Taxation			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate			-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)			216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC048 Knysna - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council		2 609	(29)	3	(66)	1 035	986	(66)	967	740	3	3	231	6 414	8 450	9 599
Vote 2 - Corporate Services		578	140	140	179	171	171	281	202	202	202	210	868	3 345	3 532	3 730
Vote 3 - Financial Services		160 475	627	804	403	405	1 866	565	572	1 546	549	755	1 806	170 373	179 130	193 425
Vote 4 - Strategic Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Planning & Development		674	687	6 613	677	1 146	7 310	1 146	1 146	7 580	1 146	1 370	4 819	34 315	50 393	55 944
Vote 6 - Community Services		21 534	2 211	2 356	2 324	2 215	6 027	2 738	2 842	6 319	3 326	1 328	2 465	55 685	59 569	62 262
Vote 7 - Electrical Services		25 157	15 717	16 316	15 468	15 450	20 494	16 242	15 351	19 372	15 811	15 127	20 514	211 020	226 767	242 831
Vote 8 - Technical Services		32 305	3 612	4 797	2 670	3 162	8 683	4 741	3 942	9 724	4 496	3 484	13 480	95 097	105 110	112 656
Total Revenue by Vote		243 333	22 966	31 029	21 656	23 584	45 538	25 646	25 022	45 485	25 532	22 276	44 183	576 250	632 951	680 447
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		3 685	3 069	11 695	2 149	2 246	2 200	2 115	2 138	2 131	2 132	2 182	2 299	38 040	40 309	42 171
Vote 2 - Corporate Services		2 440	2 070	2 058	2 195	3 104	1 146	2 228	2 389	2 157	1 980	2 138	2 538	26 443	27 766	29 224
Vote 3 - Financial Services		3 776	4 525	3 774	4 391	5 138	4 303	3 682	4 020	4 172	5 223	4 538	4 889	52 430	58 337	61 732
Vote 4 - Strategic Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Planning & Development		2 686	2 755	2 800	2 795	3 276	2 778	2 258	2 231	3 217	3 511	3 281	4 803	36 390	44 433	42 598
Vote 6 - Community Services		6 072	7 269	6 997	6 810	9 461	7 582	7 944	7 193	6 826	7 414	7 211	9 951	90 728	98 833	104 204
Vote 7 - Electrical Services		2 663	21 971	20 837	12 447	12 625	15 364	12 974	12 537	15 539	13 471	13 307	35 279	189 015	202 654	215 163
Vote 8 - Technical Services		5 980	7 166	8 815	7 033	10 056	9 264	6 613	10 691	12 572	7 720	7 259	17 884	111 054	115 506	120 486
Total Expenditure by Vote		27 301	48 825	56 976	37 819	45 906	42 638	37 815	41 199	46 613	41 450	39 916	77 643	544 100	587 837	615 578
Surplus/(Deficit) before assoc.		216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869
Taxation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Attributable to minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of surplus/ (deficit) of associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC048 Knysna - Supporting Table SA27 Budgeted monthly revenue and expenditure (standard classification)

Description		Ref	Budget Year 2014/15											Medium Term Revenue and Expenditure Framework				
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Revenue - Standard																		
Governance and administration			163 757	738	1 133	616	1 704	3 025	1 055	1 741	2 723	891	1 060	3 036	181 479	192 509	208 204	
Executive and council			2 609	(29)	3	(66)	1 035	986	(66)	967	740	3	3	231	6 414	8 450	9 599	
Budget and treasury office			160 475	621	796	401	401	1 864	560	565	1 546	549	746	1 776	170 300	179 056	193 349	
Corporate services			673	147	334	281	268	175	561	209	437	340	311	1 030	4 765	5 003	5 256	
Community and public safety			2 285	2 267	8 340	2 302	2 718	9 754	3 176	3 300	10 632	3 807	2 004	7 276	57 861	73 720	79 681	
Community and social services			355	334	563	383	385	1 214	778	850	1 608	1 441	384	396	8 691	8 183	7 397	
Sport and recreation			88	88	88	88	88	88	88	88	88	88	96	96	1 071	1 136	1 204	
Public safety			1 367	1 355	1 273	1 355	1 297	1 339	1 362	1 415	1 553	1 330	350	3 163	17 157	16 515	17 783	
Housing			476	490	6 416	476	948	7 113	948	948	7 383	948	1 173	3 621	30 941	47 886	53 297	
Health			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Economic and environmental services			498	492	486	535	494	453	549	534	529	519	551	3 820	9 459	7 915	7 348	
Planning and development			198	197	197	201	198	197	198	198	197	198	197	1 199	3 374	2 507	2 647	
Road transport			300	294	289	334	297	255	351	336	333	321	354	2 621	6 085	5 408	4 701	
Environmental protection			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Trading services			76 793	19 469	21 070	18 202	18 668	32 306	20 867	19 447	31 601	20 316	18 661	30 051	327 452	358 807	385 214	
Electricity			25 138	15 698	16 296	15 449	15 431	20 475	16 222	15 331	19 353	15 792	15 108	18 828	209 120	226 265	241 854	
Water			18 378	3 574	4 551	2 521	3 027	6 355	4 425	3 900	7 462	4 319	3 350	10 995	72 858	77 496	85 414	
Waste water management			13 891	97	119	108	100	2 384	102	103	2 088	99	99	126	19 315	25 548	26 076	
Waste management			19 385	101	104	124	109	3 092	117	113	2 698	107	104	102	26 158	29 498	31 870	
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Revenue - Standard			243 333	22 966	31 029	21 656	23 584	45 538	25 646	25 022	45 485	25 532	22 276	44 183	576 250	632 951	680 447	
Expenditure - Standard																		
Governance and administration			11 775	11 826	19 697	10 817	13 308	9 727	9 990	10 793	11 310	11 897	11 514	15 417	148 072	160 454	168 979	
Executive and council			3 570	2 997	11 623	2 077	2 132	2 043	2 000	2 066	2 058	2 059	2 109	3 306	38 040	40 309	42 171	
Budget and treasury office			2 927	3 607	2 849	3 421	4 108	3 422	2 685	3 233	3 296	3 751	3 655	3 512	40 466	46 000	48 753	
Corporate services			5 277	5 222	5 226	5 318	7 069	4 262	5 305	5 495	5 956	6 087	5 750	8 598	69 566	74 145	78 055	
Community and public safety			5 714	6 195	5 907	5 828	7 784	6 555	6 195	5 258	6 405	6 887	6 633	7 968	77 330	88 474	89 030	
Community and social services			889	1 028	976	930	1 416	998	1 330	1 151	1 082	1 119	1 188	1 253	13 360	15 555	16 458	
Sport and recreation			1 007	1 048	911	1 115	1 538	1 084	894	818	905	1 001	936	1 550	12 807	13 694	14 433	
Public safety			1 774	2 037	1 931	1 788	2 466	2 437	2 347	1 837	1 856	2 055	2 029	2 171	24 729	26 803	28 227	
Housing			1 623	1 680	1 730	1 634	1 748	1 507	1 095	1 049	2 187	2 331	2 065	2 434	21 085	26 706	23 874	
Health			421	402	359	361	615	529	528	403	374	381	414	561	5 349	5 715	6 038	
Economic and environmental services			2 292	2 508	2 662	2 456	3 498	3 026	2 725	3 292	5 987	3 464	3 084	10 192	45 186	47 429	49 742	
Planning and development			682	682	676	760	1 026	790	693	720	765	761	789	1 773	10 118	10 831	11 474	
Road transport			1 532	1 745	1 902	1 605	2 328	2 142	1 883	2 421	5 265	2 596	2 187	8 291	33 896	35 021	36 599	
Environmental protection			78	81	85	91	144	94	148	151	(43)	107	108	128	1 172	1 578	1 670	
Trading services			7 519	28 296	28 710	18 719	21 315	23 330	18 905	21 856	22 910	19 201	18 685	44 066	273 512	291 480	307 827	
Electricity			2 270	21 556	20 443	11 999	12 133	15 000	12 570	12 074	14 736	12 572	12 230	33 984	181 567	194 772	206 862	
Water			2 544	2 952	4 030	3 322	4 779	4 266	2 763	6 064	4 221	2 853	3 047	5 591	46 432	48 397	50 393	
Waste water management			1 242	1 775	2 126	1 410	1 848	2 155	1 544	1 424	2 010	1 591	1 429	1 710	20 262	21 249	22 100	
Waste management			1 464	2 013	2 110	1 988	2 554	1 910	2 028	2 294	1 944	2 185	1 980	2 781	25 251	27 062	28 473	
Other			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Expenditure - Standard			27 301	48 825	56 976	37 819	45 906	42 638	37 815	41 199	46 613	41 450	39 916	77 643	544 100	587 837	615 578	
Surplus/(Deficit) before assoc.			216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869	
Share of surplus/ (deficit) of associate			—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Surplus/(Deficit)			1	216 032	(25 859)	(25 947)	(16 164)	(22 322)	2 900	(12 168)	(16 177)	(1 128)	(15 917)	(17 639)	(33 460)	32 151	45 114	64 869

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

WC048 Knysna - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand																
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Corporate Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Financial Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Strategic Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Planning & Development		–	–	265	2 043	1 461	1 187	1 939	561	1 700	1 708	1 708	5 428	18 000	13 500	10 125
Vote 6 - Community Services		–	–	–	–	–	–	–	–	–	–	–	830	830	1 350	1 000
Vote 7 - Electrical Services		–	–	150	150	150	150	150	150	150	150	150	2 550	3 900	6 500	8 000
Vote 8 - Technical Services		–	734	–	–	734	–	2 694	901	1 339	2 207	1 628	5 645	15 880	17 572	15 634
Capital multi-year expenditure sub-total	2	–	734	415	2 193	2 345	1 337	4 783	1 612	3 188	4 065	3 486	14 453	38 610	38 922	34 759
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council		–	–	–	–	16	–	–	16	203	203	219	435	1 090	52	59
Vote 2 - Corporate Services		–	–	–	–	–	27	–	–	27	–	27	(40)	40	31	34
Vote 3 - Financial Services		–	–	–	–	22	190	–	212	–	–	213	(47)	590	833	761
Vote 4 - Strategic Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Planning & Development		–	–	–	–	17	–	–	17	–	–	17	225	275	534	68
Vote 6 - Community Services		–	–	–	42	151	42	919	919	1 028	877	410	4 075	8 462	12 796	10 702
Vote 7 - Electrical Services		793	290	200	411	562	165	602	119	44	176	339	5 791	9 491	8 399	3 948
Vote 8 - Technical Services		138	138	138	138	222	138	197	222	253	138	322	6 999	9 043	6 733	9 453
Capital single-year expenditure sub-total	2	931	428	338	590	990	561	1 718	1 505	1 554	1 393	1 546	17 437	28 991	29 378	25 025
Total Capital Expenditure	2	931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC048 Knysna - Supporting Table SA29 Budgeted monthly capital expenditure (standard classification)

Description	Ref	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Capital Expenditure - Standard	1															
Governance and administration		-	-	-	-	248	216	-	329	338	203	669	217	2 220	2 003	1 786
Executive and council		-	-	-	-	16	-	-	16	203	203	219	435	1 090	52	59
Budget and treasury office		-	-	-	-	22	-	-	22	-	-	22	133	200	76	77
Corporate services		-	-	-	-	210	216	-	291	136	-	428	(351)	930	1 875	1 650
Community and public safety		-	-	265	2 084	1 503	1 229	2 858	1 480	2 619	2 585	2 008	7 148	23 779	22 212	20 404
Community and social services		-	-	-	-	-	-	877	877	877	877	300	850	4 659	5 112	2 509
Sport and recreation		-	-	-	42	42	42	42	42	42	-	-	520	770	2 030	770
Public safety		-	-	-	-	-	-	-	-	-	-	-	350	350	1 570	7 000
Housing		-	-	265	2 043	1 461	1 187	1 939	561	1 700	1 708	1 708	5 428	18 000	13 500	10 125
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		21	21	21	21	21	21	21	21	21	21	121	4 145	4 474	3 846	450
Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Road transport		21	21	21	21	21	21	21	21	21	21	121	3 895	4 224	3 596	450
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	250	250	250	-
Trading services		910	1 141	467	678	1 563	432	3 623	1 287	1 764	2 649	2 234	20 381	37 128	40 239	37 144
Electricity		793	290	350	561	712	315	752	269	194	326	489	8 291	13 341	14 899	11 948
Water		117	851	117	117	851	117	2 871	1 018	1 570	2 324	1 745	6 877	18 574	17 027	17 550
Waste water management		-	-	-	-	-	-	-	-	-	-	-	2 040	2 040	3 523	6 646
Waste management		-	-	-	-	-	-	-	-	-	-	-	3 173	3 173	4 790	1 000
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	2	931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784
Funded by:																
National Government		793	734	-	-	1 129	165	4 215	1 778	2 374	3 260	1 847	5 022	21 317	22 901	23 680
Provincial Government		-	-	265	2 043	1 461	1 187	1 939	561	1 700	1 708	1 708	5 560	18 132	13 500	10 125
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		793	734	265	2 043	2 590	1 352	6 154	2 339	4 074	4 968	3 555	10 582	39 449	36 401	33 805
Public contributions & donations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing		117	317	467	467	267	267	267	267	267	267	667	11 619	15 257	12 629	10 964
Internally generated funds		21	111	21	273	478	279	80	511	401	223	809	9 689	12 895	19 270	15 015
Total Capital Funding		931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784

References

1. Table should be completed as either Multi-Year expenditure appropriation or Budget Year and Forward Year estimates
2. Total Capital Expenditure must reconcile to Budgeted Capital Expenditure

WC048 Knysna - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2014/15												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Cash Receipts By Source													1		
Property rates	8 013	8 013	58 760	8 013	8 013	8 013	8 013	8 013	8 013	8 013	8 013	8 013	146 901	154 072	163 608
Property rates - penalties & collection charges	215	215	215	215	215	215	215	215	215	215	215	216	2 583	2 742	2 911
Service charges - electricity revenue	18 484	14 306	14 237	14 081	14 061	15 225	14 794	13 437	14 486	14 235	13 608	17 044	177 999	190 353	203 661
Service charges - water revenue	13 723	3 113	2 698	2 172	2 629	2 412	3 960	3 007	2 982	3 087	2 290	2 979	45 053	47 819	50 779
Service charges - sanitation revenue	880	880	880	880	880	880	880	880	880	880	880	880	10 566	11 214	11 909
Service charges - refuse revenue	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	1 179	14 143	15 012	15 941
Service charges - other	309	268	308	263	273	279	267	274	294	278	279	269	3 361	3 567	3 788
Rental of facilities and equipment	324	253	314	319	322	318	421	355	349	350	354	955	4 634	4 918	5 223
Interest earned - external investments	54	54	205	54	54	280	205	205	205	205	205	436	2 161	2 999	6 526
Interest earned - outstanding debtors	284	289	276	299	285	281	243	251	235	243	144	165	2 994	3 148	3 310
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines	1 345	1 321	1 238	1 330	1 282	1 290	1 318	1 360	1 528	1 300	334	1 466	15 111	15 867	16 659
Licences and permits	143	137	143	163	147	113	200	189	202	180	200	180	1 998	2 097	2 202
Agency services	157	157	146	171	149	142	151	147	130	141	154	155	1 800	1 890	1 985
Transfer receipts - operational	19 064	1 133	1 282	1 016	2 436	15 205	1 654	2 413	13 538	1 517	1 884	7 736	68 879	100 612	116 249
Other revenue	622	96	388	38	165	374	59	143	360	81	105	1 013	3 444	3 309	3 142
Cash Receipts by Source	64 795	31 413	82 269	30 195	32 090	46 207	33 559	32 067	44 598	31 904	29 843	42 687	501 626	559 618	607 892
Other Cash Flows by Source															
Transfer receipts - capital	11 835	11 835	11 835	438	438	438	438	438	438	438	438	438	39 449	36 401	33 805
Contributions recognised - capital & Contributed assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on disposal of PPE	3	3	3	3	3	3	3	3	3	3	3	223	250	300	350
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	7 629	-	-	-	-	-	7 629	15 257	12 629	10 964
Increase (decrease) in consumer deposits	70	70	70	70	70	70	70	70	70	70	70	70	834	901	973
Decrease (Increase) in non-current debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) other non-current receivables	10	10	10	10	10	10	10	10	10	10	10	10	115	120	125
Decrease (increase) in non-current investments	-	-	-	-	-	(907)	-	-	-	-	-	(907)	(1 815)	(1 978)	(2 156)
Total Cash Receipts by Source	76 712	43 329	94 186	30 715	32 610	53 448	34 079	32 587	45 118	32 423	30 363	50 148	555 716	607 990	651 953
Cash Payments by Type															
Employee related costs	11 621	13 027	20 494	12 086	19 350	12 473	12 398	12 566	12 151	12 819	12 863	12 099	163 947	180 367	191 203
Remuneration of councillors	525	525	525	525	525	525	560	650	572	572	572	590	6 665	6 998	7 346
Finance charges	-	-	-	-	-	9 149	-	-	-	-	-	9 149	18 297	17 987	17 778
Bulk purchases - Electricity	82	18 993	15 782	9 305	9 305	9 305	9 305	9 305	9 305	9 305	9 305	27 941	137 236	148 297	158 678
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other materials	725	933	882	913	2 522	1 633	1 935	1 554	480	1 107	849	3 074	16 607	17 678	18 564
Contracted services	921	1 487	1 917	2 110	1 588	2 707	1 970	2 166	1 799	1 645	1 422	2 628	22 360	23 794	25 004
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and grants - other	460	945	523	439	408	390	453	388	419	415	479	384	5 704	5 851	5 916
Other expenditure	7 626	7 498	7 072	7 090	6 458	5 080	5 862	9 133	12 432	10 107	8 976	19 798	107 132	119 110	121 299
Cash Payments by Type	21 961	43 408	47 195	32 469	40 156	41 261	32 482	35 762	37 157	35 970	34 466	75 662	477 949	520 082	545 787
Other Cash Flows/Payments by Type															
Capital assets	931	1 161	752	2 783	3 335	1 898	6 501	3 117	4 742	5 458	5 032	31 890	67 601	68 300	59 784
Repayment of borrowing	-	-	-	-	-	7 666	-	-	-	-	-	7 666	15 332	12 679	11 014
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	22 891	44 570	47 947	35 252	43 491	50 825	38 984	38 879	41 899	41 428	39 498	115 219	560 882	601 061	616 585
NET INCREASE/(DECREASE) IN CASH HELD	53 820	(1 241)	46 238	(4 537)	(10 880)	2 622	(4 904)	(6 292)	3 218	(9 005)	(9 135)	(65 071)	(5 166)	6 929	35 367
Cash/cash equivalents at the month/year begin:	30 566	84 387	83 146	129 384	124 847	113 967	116 589	111 684	105 393	108 611	99 606	90 471	30 566	25 400	32 330
Cash/cash equivalents at the month/year end:	84 387	83 146	129 384	124 847	113 967	116 589	111 684	105 393	108 611	99 606	90 471	25 400	25 400	32 330	67 697

References

1. Note that this section of Table SA 30 is deliberately not linked to Table A4 because timing differences between the invoicing of clients and receiving the cash means that the cashflow will differ from budgeted revenue, and similarly for budgeted expenditure.

WC048 Knysna - NOT REQUIRED - municipality does not have entities

[illegible]

WC048 Knysna - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
		Number			R thousand
	Yrs				

References
1. Total agreement period from commencement until end
2. Annual value

WC048 Knysna - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2013/14	2014/15 Medium Term Revenue & Expenditure Framework			Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Total Contract Value
		Total	Original Budget	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1,3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Melville Development :Customer Care Centre (Rental)		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 2		-	-	-	-	-	-	-	-	-	-	-	-	-
Contract 3 etc		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column

2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

WC048 Knysna - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
R thousand	1										
Capital expenditure on new assets by Asset Class/Sub-class											
Infrastructure	2	25 336	19 391	37 648	26 133	25 865	25 865	23 443	23 955	33 006	
Infrastructure - Road transport		1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450	
Roads, Pavements & Bridges		1 456	5 002	1 666	6 101	6 101	6 101	1 779	1 246	450	
Storm water		–	–	–	–	–	–	–	–	–	
Infrastructure - Electricity		2 658	5 387	10 596	8 752	8 939	8 939	7 421	9 072	11 489	
Generation		–	–	–	–	–	–	–	–	–	
Transmission & Reticulation		1 892	5 387	7 964	7 713	7 713	7 713	5 754	8 632	10 632	
Street Lighting		766	–	2 632	1 039	1 226	1 226	1 667	440	857	
Infrastructure - Water		19 823	1 034	9 920	10 580	9 909	9 909	11 013	8 314	13 421	
Dams & Reservoirs		–	–	–	–	–	–	–	–	–	
Water purification		14 063	286	6 823	5 624	4 953	4 953	6 265	437	5 898	
Reticulation		5 760	748	3 097	4 956	4 956	4 956	4 748	7 877	7 523	
Infrastructure - Sanitation		–	–	15 466	700	700	700	1 400	3 273	6 646	
Reticulation		–	–	–	100	100	100	–	–	–	
Sewerage purification		–	–	15 466	600	600	600	1 400	3 273	6 646	
Infrastructure - Other		1 399	7 968	–	–	216	216	1 830	2 050	1 000	
Waste Management		–	–	–	–	–	–	1 830	2 050	1 000	
Transportation		1 399	7 968	–	–	216	216	–	–	–	
Community			3 087	3 345	14 624	16 065	15 360	15 360	20 062	16 653	12 704
Parks & gardens		8	–	–	–	–	–	–	–	–	–
Sportsfields & stadia			–	–	–	–	–	–	70	160	70
Swimming pools			–	–	–	–	–	–	–	–	–
Community halls			–	–	173	775	175	175	180	1 223	2 509
Libraries			–	–	–	–	–	–	282	150	–
Recreational facilities			–	–	–	–	–	–	250	250	–
Cemeteries	–		–	–	–	–	–	250	1 370	–	
Social rental housing	3 087		3 092	10 000	14 000	14 000	14 000	18 000	13 500	10 125	
Other	–		253	4 451	1 290	1 185	1 185	1 030	–	–	
Other assets			3 945	2 394	5 962	92	309	309	4 248	4 632	1 024
General vehicles	10	–	699	–	–	178	178	2 573	3 860	1 000	
Specialised vehicles		–	1 135	–	–	–	–	–	–	–	
Plant & equipment		–	–	900	–	–	–	–	–	–	
Computers - hardware/equipment		2 726	343	27	5	5	5	–	–	–	
Furniture and other office equipment		298	143	5 035	87	126	126	50	22	24	
Civic Land and Buildings		99	74	–	–	–	–	125	–	–	
Other Buildings		–	–	–	–	–	–	1 500	750	–	
Other Land		823	–	–	–	–	–	–	–	–	
Total Capital Expenditure on new assets	1	32 368	25 129	58 234	42 290	41 534	41 534	47 753	45 240	46 734	

Specialised vehicles		–	1 135	–	–	–	–	–	–	–
Conservancy		–	1 135	–	–	–	–	–	–	–

References

1. Total Capital Expenditure on new assets (SA34a) plus Total Capital Expenditure on renewal of existing assets (SA34b) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

WC048 Knysna - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description		Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework			
R thousand		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	
Capital expenditure on renewal of existing assets by Asset Class/Sub-class												
Infrastructure			16 669	26 885	7 890	14 686	20 508	20 508	12 561	13 713	3 129	
Infrastructure - Road transport			–	–	162	4 517	4 517	4 517	–	–	–	
Roads, Pavements & Bridges			–	–	162	200	200	200	–	–	–	
Storm water			–	–	–	4 317	4 317	4 317	–	–	–	
Infrastructure - Electricity			3 483	9 568	5 100	6 746	11 986	11 986	5 000	5 000	–	
Generation			–	–	–	–	–	–	–	–	–	
Transmission & Reticulation			3 483	9 568	4 820	6 746	11 986	11 986	5 000	5 000	–	
Street Lighting			–	–	280	–	–	–	–	–	–	
Infrastructure - Water			5 481	4 235	308	3 023	2 684	2 684	7 561	8 713	3 129	
Dams & Reservoirs			–	–	–	–	–	–	–	–	–	
Water purification			4 829	3 513	88	2 193	2 193	2 193	6 731	7 873	1 629	
Reticulation			652	722	220	830	491	491	830	840	1 500	
Infrastructure - Sanitation			7 705	13 030	2 320	400	1 321	1 321	–	–	–	
Reticulation			22	417	1 120	200	200	200	–	–	–	
Sewerage purification			7 683	12 613	1 200	200	1 121	1 121	–	–	–	
Infrastructure - Other			–	52	–	–	–	–	–	–	–	
Waste Management			–	52	–	–	–	–	–	–	–	
			–	323	2 218	10 465	11 552	11 552	3 947	2 769	3 000	
Community			–	–	–	–	–	–	–	–	–	
Parks & gardens			–	–	–	–	–	–	–	–	–	
Sportsfields & stadia			–	239	240	500	1 158	1 158	–	400	–	
Swimming pools			–	–	–	–	–	–	–	–	–	
Community halls			–	–	132	4 334	4 334	4 334	3 947	2 369	–	
Libraries			–	84	1 096	4 921	5 408	5 408	–	–	–	
Fire, safety & emergency			–	–	–	–	–	–	–	–	3 000	
Other			–	–	750	710	652	652	–	–	–	
			5 176	7 981	3 807	8 518	11 339	11 339	3 340	6 578	6 921	
Other assets			2 390	883	251	2 500	2 562	2 562	1 920	2 710	700	
General vehicles			–	1 344	–	800	710	710	–	1 550	–	
Specialised vehicles			1 184	1 169	860	850	1 035	1 035	720	1 122	1 207	
Plant & equipment			394	1 268	–	570	1 320	1 320	390	637	684	
Computers - hardware/equipment			921	260	444	316	422	422	310	309	330	
Furniture and other office equipment			–	–	–	–	–	–	–	–	–	
Abattoirs			–	–	–	–	–	–	–	–	–	
Markets			–	–	–	–	–	–	–	–	–	
Civic Land and Buildings			165	2 908	2 252	3 232	5 040	5 040	–	–	–	
Other Buildings			121	149	–	250	250	250	–	250	4 000	
Total Capital Expenditure on renewal of existing assets			1	21 845	35 188	13 915	33 669	43 398	43 398	19 848	23 060	13 050
Specialised vehicles			–	1 344	–	800	710	710	–	1 550	–	
Refuse			–	781	–	–	–	–	–	800	–	
Fire			–	564	–	800	710	710	–	750	–	
Conservancy			–	–	–	–	–	–	–	–	–	
Ambulances			–	–	–	–	–	–	–	–	–	
Renewal of Existing Assets as % of total capex				40.3%	58.3%	19.3%	44.3%	51.1%	51.1%	29.4%	33.8%	21.8%
Renewal of Existing Assets as % of deprecn"				116.1%	23.6%	65.1%	142.3%	183.5%	183.5%	70.4%	83.3%	47.9%

References

1. Total Capital Expenditure on renewal of existing assets (SA34b) plus Total Capital Expenditure on new assets (SA34a) must reconcile to total capital expenditure in Budgeted Capital Expenditure
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

WC048 Knysna - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2010/11	2011/12	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		11 213	14 802	14 384	24 411	18 342	18 342	26 332	27 894	29 385
Infrastructure - Road transport		3 647	4 798	4 202	7 643	7 643	7 643	8 254	8 750	9 222
Roads, Pavements & Bridges		3 518	4 676	4 046	7 343	7 343	7 343	7 930	8 406	8 860
Storm water		129	122	156	300	300	300	324	343	362
Infrastructure - Electricity		2 533	4 651	6 156	10 908	5 499	5 499	11 780	12 487	13 161
Generation		–	–	–	–	–	–	–	–	–
Transmission & Reticulation		2 533	4 651	6 156	10 908	5 499	5 499	11 780	12 487	13 161
Street Lighting		–	–	–	–	–	–	–	–	–
Infrastructure - Water		3 716	3 339	2 360	3 705	2 627	2 627	4 001	4 241	4 471
Dams & Reservoirs		–	–	–	–	–	–	–	–	–
Water purification		504	1 730	1 067	1 300	1 210	1 210	1 404	1 488	1 569
Reticulation		3 212	1 609	1 293	2 405	1 417	1 417	2 597	2 753	2 902
Infrastructure - Sanitation		1 316	2 014	1 666	1 700	2 413	2 413	1 836	1 946	2 051
Reticulation		1 222	1 061	1 666	1 700	2 413	2 413	1 836	1 946	2 051
Sewerage purification		94	953	–	–	–	–	–	–	–
Infrastructure - Other		–	0	–	455	161	161	460	470	480
Waste Management		–	0	–	455	161	161	460	470	480
Community		628	783	737	1 169	1 111	1 111	1 241	1 315	1 379
Parks & gardens		252	436	395	639	581	581	671	708	739
Sportsfields & stadia		165	245	190	300	300	300	324	343	362
Swimming pools		–	–	–	–	–	–	–	–	–
Community halls		42	20	–	30	30	30	30	34	36
Security and policing		152	66	152	200	200	200	216	229	241
Social rental housing		18	17	0	–	–	–	–	–	–
Other assets		5 626	5 824	6 423	8 176	8 210	8 210	9 052	9 663	10 181
General vehicles		2 945	2 926	3 516	4 300	4 267	4 267	4 644	4 923	5 188
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment		1 113	1 003	767	1 158	1 538	1 538	1 522	1 629	1 714
Computers - hardware/equipment		75	150	386	602	252	252	650	689	726
Furniture and other office equipment		77	79	87	171	170	170	169	196	207
Abattoirs		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Civic Land and Buildings		1 230	1 524	1 526	1 694	1 733	1 733	1 797	1 939	2 044
Other Buildings		186	143	142	250	250	250	270	286	302
Intangibles		623	616	971	957	875	875	818	1 096	1 155
Computers - software & programming		623	616	971	957	875	875	818	1 096	1 155
Other (list sub-class)										
Total Repairs and Maintenance Expenditure	1	18 091	22 025	22 515	34 713	28 538	28 538	37 443	39 967	42 100
R&M as a % of PPE		2.5%	3.2%	3.1%	4.4%	3.6%	3.6%	4.5%	4.6%	4.6%
R&M as % Operating Expenditure		4.5%	3.2%	4.6%	6.5%	5.5%	5.5%	6.9%	6.8%	6.8%

References

1. Total Repairs and Maintenance Expenditure by Asset Category must reconcile to total repairs and maintenance expenditure on Table SA1
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

WC048 Knysna - Supporting Table SA34d Depreciation by asset class

Description	Ref	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand	1							
Depreciation by Asset Class/Sub-class								
Infrastructure		15 271	17 719	17 719	17 719	-	-	-
Infrastructure - Road transport		4 906	4 118	4 118	4 118	-	-	-
<i>Roads, Pavements & Bridges</i>		4 421	3 711	3 711	3 711	-	-	-
<i>Storm water</i>		485	407	407	407	-	-	-
Infrastructure - Electricity		3 217	5 859	5 859	5 859	-	-	-
<i>Generation</i>		-	-	-	-	-	-	-
<i>Transmission & Reticulation</i>		3 094	5 636	5 636	5 636	-	-	-
<i>Street Lighting</i>		123	224	224	224	-	-	-
Infrastructure - Water		4 669	5 373	5 373	5 373	-	-	-
<i>Dams & Reservoirs</i>		-	-	-	-	-	-	-
<i>Water purification</i>		1 318	1 517	1 517	1 517	-	-	-
<i>Reticulation</i>		3 351	3 856	3 856	3 856	-	-	-
Infrastructure - Sanitation		2 479	2 355	2 355	2 355	-	-	-
<i>Reticulation</i>		1 766	1 678	1 678	1 678	-	-	-
<i>Sewerage purification</i>		713	677	677	677	-	-	-
Infrastructure - Other		-	14	14	14	-	-	-
<i>Waste Management</i>		-	14	14	14	-	-	-
<i>Transportation</i>	2	-	-	-	-	-	-	-
<i>Gas</i>		-	-	-	-	-	-	-
<i>Other</i>	3	-	-	-	-	-	-	-
Community		365	464	464	464	-	-	-
Parks & gardens		8	10	10	10	-	-	-
Sportsfields & stadia		-	-	-	-	-	-	-
Swimming pools		-	-	-	-	-	-	-
Community halls		31	39	39	39	-	-	-
Libraries		20	26	26	26	-	-	-
Recreational facilities		77	98	98	98	-	-	-
Fire, safety & emergency		-	-	-	-	-	-	-
Security and policing		-	-	-	-	-	-	-
Buses		-	-	-	-	-	-	-
Clinics	7	13	16	16	16	-	-	-
Museums & Art Galleries		-	-	-	-	-	-	-
Cemeteries		12	15	15	15	-	-	-
Social rental housing	8	-	-	-	-	-	-	-
Other		204	260	260	260	-	-	-

WC048 Knysna - Supporting Table SA34d Depreciation by asset class

Description R thousand	Ref	2012/13	Current Year 2013/14			2014/15 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
Heritage assets	9	–	3	3	3	–	–	–
Buildings		–	1	1	1	–	–	–
Other		–	2	2	2	–	–	–
Investment properties		–	–	–	–	–	–	–
Housing development		–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–
Other assets	10	5 483	5 426	5 426	5 426	–	–	–
General vehicles		1 550	1 521	1 521	1 521	–	–	–
Specialised vehicles		–	118	118	118	–	–	–
Plant & equipment		1 076	1 180	1 180	1 180	–	–	–
Computers - hardware/equipment		852	709	709	709	–	–	–
Furniture and other office equipment		1 556	1 423	1 423	1 423	–	–	–
Abattoirs		–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–
Civic Land and Buildings		–	233	233	233	–	–	–
Other Buildings		377	243	243	243	–	–	–
Other Land		–	–	–	–	–	–	–
Surplus Assets - (Investment or Inventory)		–	–	–	–	–	–	–
Other		72	–	–	–	–	–	–
Intangibles		199	42	42	42	–	–	–
Computers - software & programming		199	42	42	42	–	–	–
Other (list sub-class)								
Total Depreciation	1	21 318	23 655	23 655	23 655	–	–	–

Specialised vehicles		–	118	118	118	–	–	–
Refuse		–	–	–	–	–	–	–
Fire		–	118	118	118	–	–	–
Conservancy		–	–	–	–	–	–	–
Ambulances		–	–	–	–	–	–	–

References

1. Depreciation based on write down values. Not including Depreciation resulting from revaluation.
2. Airports, Car Parks, Bus Terminals and Taxi Ranks
3. For example - technology backbones (e.g. fibre optic, WIFI infrastructure) for economic development purposes
4. Work-in-progress/under construction to be budgeted under the respective item
5. Infrastructure includes 'land and buildings required' by that infrastructure and vehicles/plant & equipment used by the service generated by that infrastructure
6. Donated/contributed & leased assets to be included within the respective sub-class
7. Busses used to provide a service to the community
8. Not municipal contributions to the 'top structure' being built using the housing subsidies
9. Statues, art collections, medals etc.
10. Ambulances, fire engines, refuse vehicles - but not vehicles that would normally be classified as 'Plant and equipment'

WC048 Knysna - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2014/15 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Executive & Council		1 090	52	59				
Vote 2 - Corporate Services		40	31	34				
Vote 3 - Financial Services		590	833	761				
Vote 4 - Strategic Services		–	–	–				
Vote 5 - Planning & Development		18 275	14 034	10 193				
Vote 6 - Community Services		9 292	14 146	11 702				
Vote 7 - Electrical Services		13 391	14 899	11 948				
Vote 8 - Technical Services		24 923	24 305	25 087				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		67 601	68 300	59 784	–	–	–	–
Future operational costs by vote	2							
Vote 1 - Executive & Council								
Vote 2 - Corporate Services								
Vote 3 - Financial Services								
Vote 4 - Strategic Services								
Vote 5 - Planning & Development								
Vote 6 - Community Services								
Vote 7 - Electrical Services								
Vote 8 - Technical Services								
<i>List entity summary if applicable</i>								
Total future operational costs		–	–	–	–	–	–	–
Future revenue by source	3							
Property rates								
Property rates - penalties & collection charges								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Service charges - other								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		67 601	68 300	59 784	–	–	–	–

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

WC048 Knysna - Supporting Table SA36 Detailed capital budget

Supporting Table Once Detailed Capital Budget														
Municipal Vote/Capital project	Ref		IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4	Program/Project description		6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
Parent municipality:														
List all capital projects grouped by Municipal Vote														
Vote 1 - Executive & Council														
		Civic Buildings Improvements/Upgrades - Admin Buildings	Other	No	Other assets	Civic Land and Buildings		-	-	-	-	-		New
		Civic Buildings Improvements/Upgrades - Admin Buildings	Other	No	Other assets	Civic Land and Buildings		-	3 330	-	-	-		Renewal
		New Building		No	Other assets	Other Buildings		-	-	-	-	-		New
		Community Facilities - Ward Based Projects	SFA5	No	Community	Other		2 447	1 185	1 000	-	-		New
		Community Facilities - Ward Based Projects	SFA5	No	Community	Other		-	652	-	-	-		Renewal
		Political projects	SFA6	No	Community	Other		750	-	-	-	-		Renewal
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		17	-	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		-	18	20	22	24		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		-	30	70	30	35		Renewal
Vote 2 - Corporate Services														
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		10	-	-	-	-		New
		New Vehicles	Other	No	Other assets	General vehicles		-	-	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		42	39	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		24	80	40	31	34		Renewal
Vote 3 - Financial Services														
		Civic Buildings Improvements/Upgrades - Admin Buildings	SFA3	No	Other assets	Civic Land and Buildings		450	1 630	-	-	-		Renewal
		Civic Buildings Improvements/Upgrades - Admin Buildings	SFA3	No	Other assets	Civic Land and Buildings		-	-	125	-	-		New
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		-	1 320	390	637	684		Renewal
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		-	5	-	-	-		New
		New Vehicles	SFA3	No	Other assets	General vehicles		-	-	-	120	-		New
		Plant & Equipment	Other	No	Other assets	Plant & equipment		520	-	-	-	-		Renewal
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		4 272	-	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		65	117	75	76	77		Renewal
		Vehicle Replacements	SFA3	No	Other assets	General vehicles		-	391	-	-	-		Renewal
		Website Development	SFA3	No	Intangibles	Other		-	-	-	-	-		Renewal
Vote 5 - Planning & Development														
		Civic Buildings Improvements/Upgrades - Admin Buildings	SFA1	No	Other assets	Civic Land and Buildings		-	-	-	-	-		Renewal
		Community Facilities - Taxi Facilities	SFA1	No	Infrastructure - Other	Transportation		-	-	-	-	-		New
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		-	-	-	-	-		New
		Electricity Infrastructure - Services for Housing	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		1 754	450	-	-	-		New
		Housing Infrastructure - Services	SFA1	No	Community	Social rental housing		10 000	14 000	18 000	13 500	10 125		New
		Community Facilities - Informal trading stalls	SFA1	No	Community	Recreational facilities		-	-	250	250	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		438	-	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		40	25	25	32	34		Renewal
		Plant & Equipment	Other	No	Other assets	Plant & equipment		-	25	-	32	34		Renewal
		Vehicle Replacements	SFA3	No	Other assets	General vehicles		-	-	-	220	-		Renewal
		Road Infrastructure - Buffalo Bay Dune Re-Establishment	SFA5	No	Infrastructure - Road Transport	Stormwater		-	4 117	-	-	-		Renewal
Vote 6 - Community Services														

WC048 Knysna - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref			Individually Approved (Yes/No)	Asset Class	Asset Sub-Class		Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4	Program/Project description	IDP Goal code 2	6	3	3	Total Project Estimate	Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
		Civic Buildings Improvements/Upgrades - Admin Buildings	SFA1	No	Other assets	Civic Land and Buildings		302	80	-	-	4 000		Renewal
		Civic Buildings Improvements/Upgrades	SFA1	No	Other assets	Civic Land and Buildings		250	-	-	-	-		New
		Civic Buildings Improvements/Upgrades - Infrastructure Buildings	SFA1	No	Other assets	Civic Land and Buildings		1 500	-	-	-	-		Renewal
		Community Facilities - Libraries	SFA1	No	Community	Libraries		1 096	5 408	-	-	-		Renewal
		Community Facilities - Libraries	SFA1	No	Community	Libraries		-	-	282	150	-		New
		Community Facilities - Multi-purpose Centre	SFA1	No	Community	Community Halls		132	175	-	1 053	2 509		New
		Community Facilities - Multi-purpose Centre	SFA1	No	Community	Community Halls		132	4 334	3 947	2 369	-		Renewal
		Community Facilities - Halls	SFA1	No	Community	Community Halls		-	-	180	170	-		New
		Community Facilities - Recreational	SFA1	No	Community	Parks & gardens		-	-	70	160	70		New
		Community Facilities - Recreational	SFA1	No	Community	Sportsfields & stadia		240	1 158	-	400	-		Renewal
		Community Facilities - Toilets	SFA1	No	Other assets	Other buildings		-	250	-	250	-		Renewal
		Community Facilities - Toilets	SFA1	No	Other assets	Other buildings		-	-	200	-	-		New
		Community Facilities - Other	SFA1	No	Community	Other		-	-	30	-	-		New
		Community Facilities			Community	Community halls		41	-	-	-	-		New
		New Cemetery		No	Community	Cemeteries		-	-	250	1 370	-		New
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		-	-	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		283	69	-	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		70	84	30	59	63		Renewal
		Plant & Equipment	Other	No	Other assets	Plant & equipment		170	280	110	335	3 360		Renewal
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		-	1 602	450	1 690	700		Renewal
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		-	-	1 913	2 540	-		New
		New Vehicles	SFA1	No	Other assets	General vehicles		-	178	-	-	-		New
		Vehicle Replacements - Fire/Water Truck	SFA1	No	Other assets - Specialised Vehicles	Fire		-	710	-	750	-		Renewal
		Vehicle Replacements - Refuse Compactor/Bin Lifter	SFA1	No	Other assets - Specialised Vehicles	Refuse		-	-	-	800	-		Renewal
		Transfer Station	SFA1	No	Infrastructure - Other	Waste management		-	-	600	300	-		New
		Wheelie Bin Program	SFA1	No	Infrastructure - Other	Waste management		-	-	400	400	-		New
		Waste Disposal Sites	SFA1	No	Infrastructure - Other	Waste management		-	-	830	1 350	1 000		New
Vote 7 - Electrical Services														
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		-	-	-	-	-		New
		Building Renovation	SFA1	No	Other assets	Other Buildings		-	-	50	-	-		New
		Electricity Infrastructure - Densification	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		-	8 436	4 500	4 500	-		Renewal
		Electricity Infrastructure - Hi-masts	SFA1	No	Infrastructure - Electricity	Street lighting		2 632	1 226	1 667	440	857		New
		Electricity Infrastructure - Hi-voltage Cables	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		-	1 500	-	-	-		New
		Electricity Infrastructure - Hi-voltage Cables	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		2 795	1 500	-	-	-		Renewal
		Electricity Infrastructure - Intake Sub Stations	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		-	-	-	-	-		Renewal
		Electricity Infrastructure - Prepaid Meter Conversions	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		-	1 500	500	500	-		Renewal
		Electricity Infrastructure - Reticulation	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		813	500	-	-	-		New
		Electricity Infrastructure - Reticulation	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		1 365	550	-	-	-		Renewal
		Electricity Infrastructure - Street Lights	SFA1	No	Infrastructure - Electricity	Street lighting		280	-	-	-	-		Renewal
		Electricity Infrastructure - Sub Stations	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		7 151	5 263	5 754	8 632	10 632		New
		Electricity Infrastructure - Sub Stations	SFA1	No	Infrastructure - Electricity	Transmission & reticulation		660	-	-	-	-		Renewal
		Road Infrastructure - Traffic lights	SFA1	No	Infrastructure - Road transport	Roads, Pavements & Bridges		-	-	25	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		-	-	30	-	-		New
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		15	38	35	22	24		Renewal
		Plant & Equipment	Other	No	Other assets	Plant & equipment		170	420	360	405	435		Renewal

WC048 Knysna - Supporting Table SA36 Detailed capital budget

Vote 8 - Knysna - Supporting Table 8.02 Detailed Capital Budget															
Municipal Vote/Capital project	Ref	Program/Project description	IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information		
R thousand	4			6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal	
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		–	–	220	400	–		New	
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		58	569	250	–	–		Renewal	
Vote 8 - Technical Services															
		Community Facilities - Taxi Facilities	SFA1	No	Infrastructure - Other	Transportation		–	216	–	–	–		New	
		Computer Equipment	Other	No	Other assets	Computers - hardware/equipment		–	–	–	–	–		New	
		New Vehicles	SFA1	No	Other assets	General vehicles		–	–	–	–	–		New	
		New Vehicles - Vacuum Tanker	SFA1	No	Other assets - Specialised Vehicles	Conservancy		–	–	–	–	–		New	
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		–	–	–	–	–		New	
		Office Furniture & Equipment	Other	No	Other assets	Furniture and other office equipment		230	48	35	59	63		Renewal	
		Plant & Equipment	Other	No	Other assets	Plant & equipment		–	310	250	350	378		Renewal	
		Plant & Equipment - Reticulation	Other	No	Other assets	Plant & equipment		900	–	–	–	–		New	
		Community Facilities - Toilets	SFA1	No	Other assets	Other buildings		–	–	250	750	–		New	
		Road Infrastructure - N2 Nekkies	SFA1	No	Infrastructure - Road transport	Roads, Pavements & Bridges		458	2 400	–	–	–		New	
		Road Infrastructure - Pavements	SFA1	No	Infrastructure - Road transport	Roads, Pavements & Bridges		1 208	3 701	2 754	1 246	450		New	
		Road Infrastructure - Pavements	SFA2	No	Infrastructure - Road transport	Stormwater		–	–	–	–	–		Renewal	
		Road Infrastructure - Sea walls	SFA1	No	Infrastructure - Road transport	Roads, Pavements & Bridges		162	200	–	–	–		Renewal	
		Road Infrastructure - Streets	SFA1	No	Infrastructure - Road transport	Roads, Pavements & Bridges		–	–	–	–	–		New	
		Road Infrastructure - Storm Water	SFA1	No	Infrastructure - Road transport	Stormwater		–	200	–	–	–		Renewal	
		Sewerage Infrastructure - Reticulation	SFA1	No	Infrastructure - Sanitation	Reticulation		1 120	400	–	–	–		Renewal	
		Sewerage Infrastructure - Reticulation	SFA1	No	Infrastructure - Sanitation	Reticulation		–	100	–	–	–		New	
		Sewerage Infrastructure - Treatment Works: Knysna (Belt press)	SFA1	Yes	Infrastructure - Sanitation	Sewerage - purification		–	–	–	–	–		Renewal	
		Sewerage Infrastructure - Treatment Works: Knysna (Refurbishment)	SFA1	Yes	Infrastructure - Sanitation	Sewerage - purification		–	400	–	–	–		Renewal	
		Sewerage Infrastructure - Treatment Works: Sedgefield	SFA1	Yes	Infrastructure - Sanitation	Sewerage - purification		–	300	–	3 273	1 018		New	
		Sewerage Infrastructure - Treatment Works: Knysna	SFA1	Yes	Infrastructure - Sanitation	Sewerage - purification		9 466	300	–	–	–	1 164		New
		Sewerage Infrastructure - Treatment Works: Knysna	SFA1	Yes	Infrastructure - Sanitation	Sewerage - purification		1 200	–	–	–	–		Renewal	
		Sewerage Infrastructure - Purification		Yes	Infrastructure - Sanitation	Sewerage - purification		–	–	1 400	–	4 464		New	
		Sewerage Infrastructure		Yes	Infrastructure - Sanitation	Sewerage - purification		6 000	–	–	–	–		New	
		Sewerage Infrastructure		Yes	Infrastructure - Sanitation	Sewerage - purification		–	521	–	–	–		Renewal	
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		–	–	440	800	–		New	
		Vehicle Replacements	SFA1	No	Other assets	General vehicles		193	–	1 220	800	–		Renewal	
		Water Infrastructure - Raw Water: Karatara Supply	SFA1	No	Infrastructure - Water	Water purification		88	680	–	–	–		New	
		Water Infrastructure - Raw Water: Knysna Dam	SFA1	No	Infrastructure - Water	Water purification		–	174	1 064	437	5 898		New	
		Water Infrastructure - Raw Water: Knysna Supply	SFA1	No	Infrastructure - Water	Water purification		–	–	–	–	–		New	
		Water Infrastructure - Raw Water: Knysna Supply	SFA1	No	Infrastructure - Water	Water purification		88	2 193	6 731	7 873	1 629		Renewal	
		Water Infrastructure - Raw Water: Rheenendal Supply	SFA1	No	Infrastructure - Water	Water purification		–	2 632	2 232	–	–		New	
		Water Infrastructure - Raw Water: Sedgefield Supply	SFA1	No	Infrastructure - Water	Water purification		6 515	1 467	2 969	–	–		New	
		Water Infrastructure - Treatment Plant: Knysna	SFA2	No	Infrastructure - Water	Water purification		220	–	–	–	–		New	
		Water Infrastructure - Reticulation	SFA1	No	Infrastructure - Water	Reticulation		220	491	830	840	1 500		Renewal	
		Water Infrastructure - Reticulation	SFA1	No	Infrastructure - Water	Reticulation		3 097	–	600	–	–		New	
		Water Infrastructure - Services for Housing	SFA1	Yes	Infrastructure - Water	Reticulation		–	4 956	4 148	7 877	8 523		New	
Parent Capital expen	1							72 149	84 932	67 601	68 300	59 784			
Entities:															

WC048 Knysna - Supporting Table SA36 Detailed capital budget

Municipal Vote/Capital project	Ref		IDP Goal code 2	Individually Approved (Yes/No)	Asset Class	Asset Sub-Class	Total Project Estimate	Prior year outcomes		2014/15 Medium Term Revenue & Expenditure Framework			Project information	
R thousand	4	Program/Project description		6	3	3		Audited Outcome 2012/13	Current Year 2013/14 Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17	Ward location	New or renewal
List all capital projects grouped by Entity														
Entity A Water project A														
Entity B Electricity project B														
Entity Capital expenditure								-	-	-	-	-		
Total Capital expenditure								72 149	84 932	67 601	68 300	59 784		

References

1. Must reconcile with Budgeted Capital Expenditure

2. As per Table SA6

3. As per Table SA34

4. Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by programme by Vote

5. Correct to seconds. Provide a logical starting point on networked infrastructure.

6. Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13

WC048 Knysna - Supporting Table SA37 Projects delayed from previous financial year/s

Municipal Vote/Capital project	Ref. 1,2	Project name	Project number	Asset Class 3	Asset Sub-Class 3	GPS co-ordinates 4	Previous target year to complete	Current Year 2013/14		2014/15 Medium Term Revenue & Expenditure Framework		
								Original Budget	Full Year Forecast	Budget Year 2014/15	Budget Year +1 2015/16	Budget Year +2 2016/17
R thousand							Year					
Parent municipality: <i>List all capital projects grouped by Municipal Vote</i>				Examples	Examples							
Vote 1 - Executive & Council		Civic Buildings Improvements/Upgrades - Admin Buildings		Other assets	Civic Land and Buildings		2013	1 730	3 330	-	-	-
Vote 3 - Financial Services		Civic Buildings Improvements/Upgrades - Admin Buildings		Other assets	Civic Land and Buildings		2013	1 502	1 630	-	-	-
Vote 7 - Electrical Services		Electricity Infrastructure - Densification		Infrastructure - Electricity	Transmission & Reticulation		2013	3 196	8 436	-	-	-
Vote 7 - Electrical Services		Electricity Infrastructure - Reticulation		Infrastructure - Electricity	Transmission & Reticulation		2013	550	550	-	-	-
Vote 8 - Technical Services		Road Infrastructure - Sea walls		Infrastructure - Road Transport	Roads, Pavements & Bridges		2012	200	200	-	-	-
Entities: <i>List all capital projects grouped by Municipal Entity</i>												
Entity Name n/a												

References

1. List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

2. Refer MFMA s30

3. As per Table SA34

4. Correct to seconds. Provide a logical starting point on networked infrastructure.

Knysna Municipality



Annexure 3 Tariffs, charges & fees 2014/2015

Medium Term Revenue and Expenditure Framework (MTREF)



Council

Council means the Council of the Municipality of Knysna

Agricultural Properties

Refer to owners or tenants of agricultural properties who are registered with SARS as bonafide farmers

Urban Areas

For the purposes of levying rates in urban areas such urban areas are defined to be the areas in which properties are situated in respect of which formal township establishment has taken place and to which normal municipal services are rendered due to the properties being contiguous to the bulk municipal infrastructure.

Rural Areas

For the purposes of levying rates in rural areas such rural areas are defined to be the areas in which properties are situated where either no formal township establishment has taken place or where there is no rendering of normal municipal services due to their non-contiguous position to the bulk municipal infrastructure found in the urban area.

Residential Properties

Properties are defined as residential properties provided that :

- such properties are used predominantly for residential purposes, provided that there are not more than two dwelling units per individual property;
- such rateable residences are situated on properties used or related to the care of the aged;
- such rateable residences are situated on properties used or related to educational purposes;
- such residential properties are registered in terms of the Sectional Titles Act, 1971 (now Act 95 of 1986);
- such properties are owned by share-block companies;
- such properties are not subject to provisions of Section 4 of the Rating of State Property Act, 1984

Residential Zoning

Residential zoning means any improved or unimproved site which has been zoned as a single residential, general residential or group housing zoning in terms of the applicable Zoning Scheme Regulations within the Knysna Municipal area and includes any special consent or departure for the use of any site with a different zoning for residential purposes.

Equivalent Erf

An Equivalent erf is a single residential property with a design water consumption demand of 400 Kl per annum and for augmentation purposes properties with zonings other than single residential will be levied on the number of equivalent erven based on the design water consumption demand for the zoning and size of the property.

Premises

Any vessel, boat, caravan, tent or similar object habitually occupied for residential purposes, any vacant immovable property and any structure on immovable property habitually occupied for residential and/or business purposes provided that :-

- where such structure consists of more than one residential and/or business unit each such unit shall be deemed to be premises for the purposes of this section, irrespective whether individually or bulk metered.

- each such unit deemed to be premises has a service connection to it or has a facility which has a service supply to it.

Water Closet And Urinal

Under these tariffs "pan" means a water closet or urinal, provided that for the purposes of the assessment of the annual sewerage service charges in respect of urinals, each two urinal stalls or every meter (or part thereof exceeding half a meter) of urinal wall shall be regarded as one "pan" (water closet).

Service Charge

The annual service charge is the fixed charge due by each premises as defined above and does not include any allowance for consumption and is levied irrespective whether consumption takes place or not.

Reading Period

The reading period for all consumption shall as far as is practicably possible be on a regular monthly cycle subject to:

The operational exigencies of staff availability, public holidays and inclement weather, the Council will not entertain any adjustment of an account rendered where the reading period and consumption derived for such account deviates from the normal reading period by 10 days or less, and

In such cases where the reading period exceeds the normal reading period by more than 10 days the onus shall rest on the consumer to apply, in writing, for the adjustment of the account which shall be on the basis of the monthly average derived from the previous three months consumption.

Standard-by-Law, Additional Electricity Supply By-Law and Additional By-Law

In these Electricity Tariffs "Standard-by-Law" means the Standard Electricity Supply By-Law promulgated and published under Provincial Notice 535/1987 dated 18 September 1987 and adopted by the Council under Provincial Notice 211/1988 dated 26 February 1988.

Where in the Tariff of Charges reference is made to the "Additional Electricity Supply By-Law" or the "Additional By-Law" it shall mean the Knysna Municipality : Additional Electricity Supply By-Law promulgated and published under Provisional Notice 1272/1978 dated 15 December 1978.

The tariffs scheduled herein shall be applicable to the classes of consumers set forth as follows, and in the event of the Council by special resolution having imposed an additional percentage levy in terms of section 187(5) of Ord. 20 of 1974, the increases charges shall apply :-

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Tariff 2013/14 (0% VAT)	Tariff 2014/15 (0% VAT)	Tariff 2015/16 (0% VAT)	Tariff 2016/17 (0% VAT)
1	ASSESSMENT RATES				
1 POWER TO LEVY RATES					
(1)	(a) Property Rates are set in terms of Chapter 2, Section 3 of the Municipal Property Rates Act, No 6 of 2004. (b) Property Rates to be levied in accordance with the 1 July 2012 General Valuation Roll and Councils approved Rates Policy.				
(2) Properties					
(a) Domestic					
	(i) Residential property	R 0.0056953	R 0.0061224	R 0.0065816	R 0.0070752
	(ii) Accommodation Establishments where the number of lettable bedrooms is equal to or less than 8	R 0.0060513	R 0.0068877	R 0.0078157	R 0.0088440
(b) Business					
	(i) Business Property	R 0.0113905	R 0.0122448	R 0.0131632	R 0.0141504
	(ii) Accommodation Establishments where the number of lettable bedrooms exceed 8	R 0.0113905	R 0.0122448	R 0.0131632	R 0.0141504
(c) Other					
	(i) Agricultural property	R 0.0011391	R 0.00122448	R 0.0013163	R 0.0014150
	(a) This is only applicable to owners of agricultural properties who are registered with the Receiver of Revenue as bona fide farmers				
	(ii) Properties registered in the name of;				
	(a) Public service infrastructure	R 0.001424	R 0.001531	R 0.001645	R 0.001769
	(b) Public benefit organisations	R 0.001424	R 0.0015306	R 0.0016454	R 0.0017688
(d) Vacant Land:					
	(i) Domestic	R 0.0102515	R 0.0110204	R 0.0118469	R 0.0127354
	(ii) Business	R 0.0113905	R 0.0122448	R 0.0131632	R 0.0141504
	(iii) Domestic: Non-urban vacant	R 0.0102515	R 0.0110204	R 0.0118469	R 0.0127354
2 RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES					
(1) Criteria for exemptions, rebates and reduction					
1	The following will be taken into consideration for the purpose of granting exemptions, rebates or reductions in rates levied:				
(a) Residential properties occupied/improved					
	(i) Rural properties occupied/improved - total rebate (inclusive of the residential properties rebate)	15%	10%	5%	5%
	(ii) Non-Urban Vacant	40%	30%	20%	20%
		25%	20%	15%	15%
(b) Indigent status of the owner of a property - Social Rebate					
	(i) The obligation rests on owners to apply for this social rebate and may be granted to the owner in respect of one dwelling unit only.				
	(ii) In respect of residential properties where;				
	the combined income of the household is less than R 2 600 per month				
	the rebate is granted only for one property which is occupied by the owner.				
	(iii) Upon submission of acceptable proof of these requirements, the persons in the income groups set out below will be granted a rebate of :-				
	(iv) Income Group less than R 30 000 per annum an additional reduction of (Social rebate [R2,500 X12 months])	n/a	n/a	n/a	n/a
	(v) Income Group less than R 31 200 per annum an additional reduction of (Social rebate [R2,600 X12 months])	80%	80%	80%	80%
(c) Nature and source of income of the owner a property. (e.g. pensions & social grants)					
	(i) The obligation rests on owners to apply for this senior citizen rebate and may be granted to the owner in respect of one dwelling unit only, used exclusively for residential purposes and provided,				
	(ii) The owner submits acceptable proof that the combined gross monthly income of his and his spouse does not exceed the categories as set out in (c)(v)(g) to (k) below.				
	(iii) The rebate is granted only for one property which is occupied by the owner.				
	(iv) The owner is older than 60 years of age or has been declared medically unfit for work, then				
	(v) Upon submission of acceptable proof of these requirements, the persons in the income groups set out below will be granted a rebate of :-				
	(a) Income Group less than R 78 000 per annum an additional reduction of	80%	80%	80%	80%
	(b) Income Group R 78 001 - R 90 000 per annum an additional reduction of	60%	60%	60%	60%
	(c) Income Group R 90 001 - R 108 000 per annum an additional reduction of	40%	40%	40%	40%
	(d) Income Group R 108 001 - R 144 000 per annum an additional reduction of	20%	20%	20%	20%
	(e) Income Group R 144 001 - R 180 000 per annum an additional reduction of	5%	5%	5%	5%
(d) Social or economic conditions of the area where the property is situated e.g. an area declared by the national or provincial government to be a disaster area within the meaning of Disaster Management Act, 2002 (Act.57 of 2002)					
(e) Retention and restoration of historical buildings or buildings of cultural interest.					
		20%	20%	20%	20%
(f) The services provided to the community by public service organisations.					
		0%	0%	0%	0%

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Tariff 2013/14 (0% VAT)	Tariff 2014/15 (0% VAT)	Tariff 2015/16 (0% VAT)	Tariff 2016/17 (0% VAT)
1	ASSESSMENT RATES				
(g)	<p>The need to preserve the unique natural environment that is Knysna;</p> <p>Upon application and submission of an auditable alien eradication plan to properties situated outside of the urban edge as defined in the Knysna Spatial Development Framework. Qualifying properties will be inspected annually</p> <p>Receive a maximum rebate of:</p>	30%	Replaced by the biodiversity rebate	Replaced by the biodiversity rebate	Replaced by the biodiversity rebate
(h)	<p>Educational</p> <p>On Council approval and will be reviewed on a yearly basis.</p>	50%	50%	50%	50%
(i)	<p>Sport</p> <p>Sports grounds used for the purpose of amateur and social activities, which are connected with such sport.</p>	75%	75%	75%	75%
(j)	<p>New Business</p> <p>Property on which a business operates where the owner/business is new to the municipality</p>	100%	100%	100%	100%
(k)	<p>The portion of domestic property (excluding accomodation establishments) value which is exempt from rates as per the MPRA</p>	R 15 000	R 15 000	R 15 000	R 15 000
(l)	<p>The additional portion of domestic property (excluding accomodation establishments) value which is exempt as per Council resolution for the MTREF</p>	R 85 000	R 85 000	R 85 000	R 85 000
3 RATES SETTLEMENT CONDITIONS					
(1) Rates Payment Date					
(2) Rates Overdue Date & Interest					
(a)	<p>Due date for annual property rates and service charges is at the commencement of each Financial Year being 1 July and such rates and services shall become overdue on the 30 September succeeding the commencement of each Financial Year.</p>				
(b)	<p>That the raising of interest on monthly paid rates and service charges be applied on a monthly basis on any amounts becoming overdue.</p> <p>That the raising of interest on annually paid rates and service charges be applied on 1 October each year following on such rates and service charges becoming overdue.</p> <p>Interest charged on arrear accounts 30 days and over.</p>	+ 1%	+ 1%	+ 1%	+ 1%
4 SUNDRY CHARGES					
(1)	<p>Rates Revaluation fee</p> <p>A non refundable fee for the revaluation of property</p>	R 590	R 634	R 682	R 733

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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2 SOLID WASTE (REFUSE) SERVICE

2.1 ANNUAL REFUSE CHARGES LEVIED PER PREMISES

For the removal per week of not exceeding 170 litre refuse from each premises or dwelling unit used as residential and/or business premises, provided that where any structure consists of more than one dwelling unit each such dwelling unit shall be deemed to be separate premises to be charged as set out below :-

2.1.1 DOMESTIC

2.1.1.1 Domestic Residential - Full level of service Door to Door Subject to paragraph 2.2.

per premises / per
annum

R 737

R 796

R 859

R 928

2.1.1.1 a Wheelie Bin system to be charged at the rate as specified in 2.1.1.1

First "Wheelie bin" will be supplied free of charge. Replacements will be at the cost of the consumer.

Cost + 15%

Cost + 15%

Cost + 15%

Cost + 15%

2.1.1.1 b Self Collection Development

per premises / per
annum

Refuse removed from developments (where existing agreements are in place) from one central point at a tariff of sixty percent (60%) per unit per annum. The residents will be required by the Developer to participate in the Municipality's recycling Programme.

2.1.1.1 b (i) From 1 July 2010 no new developments will qualify for this reduced charge

no reduction on charge

R 737

R 796

R 859

R 928

2.1.1.1 b (ii) Only existing developments with approved contracts will qualify for a rebate (Montage Village, Hunters Estate, Westford Bridge, Brenton Park)

40% reduction on
charge

R 442

R 477

R 516

R 557

2.1.1.1 b (iii) Only existing phases of developments with approved contracts will qualify for a rebate (Own Haven)

60% reduction on
charge

R 295

R 318

R 344

R 371

2.1.2 OLD AGE HOMES

2.1.2.1 State Subsidised Homes For The Aged [Vermont & Loerhof]

per institution

R 0

R 0

R 0

R 0

2.1.2.2 Non-Subsidised Homes For The Aged [All Other Homes]

per premises

R 1 468

R 1 586

R 1 712

R 1 849

2.1.3 a BUSINESS AND OTHER PROPERTIES

Cat 1	1 wheelie bin per premises, p.w.
Cat 2	1-2 wheelie bins per premises, p.w.
Cat 3	3-4 wheelie bins per premises, p.w.
Cat 4	5-6 wheelie bins per premises, p.w.
Cat 5	7-8 wheelie bins per premises, p.w.
Cat 6	9-10 wheelie bins per premises, p.w.
Cat 7	11-12 wheelie bins per premises, p.w.
Cat 8	12-14 wheelie bins per premises, p.w.
Cat 9	15-18 wheelie bins per premises, p.w.
Cat 10	19-20 wheelie bins per premises, p.w.
Cat 11	21-28 wheelie bins per premises, p.w.
Cat 12	29-30 wheelie bins per premises, p.w.
Cat 13	30-47 wheelie bins per premises, p.w.
Cat 14	48-49 wheelie bins per premises, p.w.

annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge
annual charge

R 1 484
R 8 883
R 17 766
R 26 648
R 35 531
R 44 414
R 53 297
R 62 181
R 79 946
R 88 829
R 124 360
R 133 243
R 134 725
R 220 605

R 1 603
R 9 593
R 19 187
R 28 780
R 38 374
R 47 967
R 57 561
R 67 155
R 86 342
R 95 935
R 134 309
R 143 903
R 145 503
R 238 253

R 1 731
R 10 361
R 20 722
R 31 083
R 41 444
R 51 804
R 62 165
R 72 528
R 93 249
R 103 610
R 145 054
R 155 415
R 157 143
R 257 314

R 1 869
R 11 190
R 22 380
R 33 570
R 44 760
R 55 948
R 67 138
R 78 330
R 100 709
R 111 899
R 156 658
R 167 848
R 169 714
R 277 899

2.2 DOMESTIC SOLID WASTE (REFUSE) CHARGE SOCIAL REBATE

Only in relation to annual charges

The obligation rests on owners to apply for this social rebate and may be granted to the owner in respect of one dwelling unit only, used exclusively for residential purposes and provided the owner submits acceptable proof that the combined gross monthly income of his and his spouse does not exceed :-

2.2.1 (a) Income Group R 0 - R 2 600 a reduction of 100%

p.a.

-100.00%

-100.00%

-100.00%

-100.00%

2.2.1 (b) Income Group R 2 601 - R 3 600 a reduction of 50%

p.a.

-50.00%

-50.00%

-50.00%

-50.00%

2.2.1 (c) Income Group R 3 601 - R 4 200 a reduction of 25%

p.a.

-25.00%

-25.00%

-25.00%

-25.00%

Where a registered owner of a property is a pensioner receiving a government pension of not more than R1,350 [April 1, 2014] per month, applies for a 100% rebate and the spouse also receives the equivalent pension they be accommodated provided there are no other contributors to the household income.

2.3 VACANT ERVEN

2.3.1 In respect of vacant erven which are on route of the Refuse Removal Service of the Municipality or to which the service can, in the opinion of the Council, be readily rendered :-

2.3.1.1 - Availability charge, per vacant erf

per erf p.a.

R 1 290

R 1 393

R 1 505

R 1 625

2.4 SPECIAL REFUSE REMOVALS

2.4.1 A charge per load for special refuse removals undertaken by the Council where such special refuse removals are authorised by the Council, viz. :-

2.4.1.1 -Special Removal

Per Load

R 1 084

R 1 171

R 1 265

R 1 366

- Charge per ton

Per Ton (1000)

R 316

R 341

R 368

R 397

2.4.1.2 Charge for the removal of rejected waste (foodstuffs)

Per 100 kilogram

R 37

R 40

R 43

R 46

2.4.1.3 Weekend Removal (Waterfront)

Per Load

R 388

R 400

R 412

R 445

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
2 SOLID WASTE (REFUSE) SERVICE						
2.5 DISPOSAL FEE - TRANSFER STATION						
2.5.1	Where use is made of the Council's refuse transfer station, with the permission of the Head Cleansing and Refuse, for dumping refuse by business concerns, such shall be at a charge per ton :-					
2.5.1.1	Per Ton - (Per ton and for every additional ton)	Per ton	R 206	R 223	R 241	R 260
2.5.1.2	Per LDV up to 1 Ton	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.5.1.3	Per LDV over 1 Ton	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.5.1.3 (a)	For each ton of the vehicle above 2 tons (3 ton R 195 + R 195 = R 389)	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.5.1.4	Per Trailer up to 1 ton	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.5.1.5	Per Trailer over 1 ton	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.5.1.5 (a)	For each ton of the vehicle above 2 tons (3 ton R 195 + R 195 = R 389)	Irrespective of volume of waste	R 206	R 223	R 241	R 260
2.6 HIRE OF BULK CONTAINER						
2.6.1	1 100 Litre - Hire of bulk container to be phased out	p.m.	R 291	Phased out	Phased out	Phased out
2.6.2	770 Litre - Hire of bulk container	p.m.	R 91	R 98	R 106	R 114
2.7 SALE OF WHEELIE BINS						
2.7.1	240 Litre "Wheelie Bin"		R 530	R 572	R 618	R 667
2.8 SALE OF REFUSE BAGS						
2.8.1	Black Refuse Bags	Per Pack	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
2.8.2	Blue Refuse Bags - Garden Refuse per pack of 10	Per Pack	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
2.8.3	Clear Bags - Recycling	Per Pack	R 0	R 0	R 0	R 0
2.9 REFUSE (NEW ERVEN) COLLECTION CHARGE						
	For the inclusion of a new property into the refuse collection route					
2.9.1	Single residential	Per new erf	R 758	R 818	R 884	R 955
2.9.2	Group housing scheme	Per new unit	R 721	R 778	R 840	R 907
2.9.3	Commercial	Per bulk container required	R 8 114	R 8 763	R 9 464	R 10 221
2.10 PROVISION OF CONTAINERS FOR SPECIAL EVENTS						
2.10.1	240 Litre "Wheelie Bin"	Per container/service	R 35	R 38	R 41	R 44
2.10.2	770 Litre Container	Per container/service	R 106	R 114	R 123	R 133

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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3 WASTE WATER (SANITATION) SERVICE

3.1 SEPTIC AND CONSERVANCY TANKS

3.1a Applicable to properties not served by reticulated water borne sewerage system

3.1.1 MANUAL BUCKET SYSTEM - REMOVALS

3.1.1.1 Manual bucket system - removals	per load or part thereof	Cost + 15%	Cost + 15%	Cost + 15%
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3.1.2 ALL PROPERTIES - Tanker Removals

3.1.2.1 Business

3.1.2.1.1 Within a Radius of 10 Km of the Treatment Works	Minimum	R 529	R 572	R 666
3.1.2.1.2 Removals in excess of 10 Km of the Treatment Works and additional to 3.1.2.1.1	per KM	R 13.25	R 14.30	R 17

3.1.2.2 Domestic

To prevent misuse of this service due to transfer to Rates. Where there has been an excess of three (3) removals within the financial year, each additional removal be charged as below.

3.1.2.2.1 Within a Radius of 10 Km of the Treatment Works	Minimum	R 529	R 572	R 666
3.1.2.2.2 Transport point of service: From plant to customer and back to nearest plant	per KM	R 13.25	R 14.30	R 17

3.2 SEWERAGE / SEPTIC TANK CLEARANCES WEEKENDS & PUBLIC

3.2.1 Weekends and public holidays	per load or part thereof			
Within a Radius of 10 Km of the Treatment Works	Minimum	R 608	R 657	R 766
Transport point of service: From plant to customer and back to nearest plant	per KM	R 26.00	R 28.00	R 33

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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4 WASTE WATER (SEWERAGE) SERVICE

4.1 DOMESTIC PROPERTIES

4.1.1 Domestic properties shall be levied per residential unit irrespective of the number of water closets and be subject to paragraph 4.2 below

4.1.1a Domestic Sewerage Annual Charge p.a. R 740 R 799 R 863 R 932

4.1.1b Self Maintaining Developments

per premises /
per annum

4.1.1b (i) - From 1 July 2010 no new developments will qualify for this reduced charge

no reduction on
charge

R 740 R 799 R 863 R 932

4.1.1b (ii) - Only existing developments with approved contracts will qualify for a rebate (Hunters Village, Hunters Estate and Montage Village)

40% reduction
on charge

R 444 R 479 R 518 R 559

4.1.1b (iii) Only existing phases of developments with approved contracts will qualify for a rebate (Own Haven)

60% reduction
on charge

R 296 R 320 R 345 R 373

4.1.2 SEPTIC TANK EFFLUENT DRAINAGE [STED]

4.1.2a Sewerage Charge - Smutsville / Sizamile STED System (subject to 4.2.2 above)

Per unit, p.a.

R 191 R 206 R 223 R 241

4.2 DOMESTIC SEWERAGE CHARGE SOCIAL REBATE

Only in relation to annual charges

The obligation rests on owners to apply for this social rebate and may be granted to the owner in respect of one dwelling unit only, used exclusively for residential purposes and provided the owner submits acceptable proof that the combined gross monthly income of his and his spouse does not exceed :-

4.2.1 (a) Income Group R 0 - R 2 600 a reduction of 100%

p.a.

-100.00% -100.00% -100.00% -100.00%

4.2.1 (b) Income Group R 2 601 - R 3 600 a reduction of 50%

p.a.

-50.00% -50.00% -50.00% -50.00%

4.2.1 (c) Income Group R 3 601 - R 4 200 a reduction of 25%

p.a.

-25.00% -25.00% -25.00% -25.00%

Where a registered owner of a property is a pensioner receiving a government pension of not more than R1,350 [April 1, 2014] per month, applies for a 100% rebate and the spouse also receives the equivalent pension they be accommodated provided there are no other contributors to the household income.

4.3 ANNUAL SERVICE CHARGES

All properties not defined as residential

per premises /
per annum

R 2 984 R 3 223 R 3 481 R 3 759

4.4 VACANT ERVEN

4.4.a Availability charge, per vacant erf

per erf

R 2 255 R 2 345 R 2 439 R 2 634

4.5 CONNECTION FEES

4.5.1 Domestic Properties (properties where there is an existing connection point)

Per unit

R 522 R 563 R 608 R 657

4.5.2 Other Properties (properties where there is no connection point)

(a) Actual Cost plus percentage as determined by the Director Technical Services subject to (b)

Per dev.

Cost + 15% Cost + 15% Cost + 15% Cost + 15%

(b) Minimum charge per development

Per dev.

Cost + 15% Cost + 15% Cost + 15% Cost + 15%

(c) All first dwelling houses smaller than 50 square meters.

Per unit

FREE FREE FREE FREE

4.6 SEWERAGE AUGMENTATION

Sewerage Augmentation Fee

per equivalent erf

R 24 823 R 26 685 R 28 686 R 30 981

4.7 SEWERAGE TANKER DISPOSAL FEE AT SEWERAGE DISPOSAL

Sewerage tanker disposal fee at sewerage treatment works for private contractors

per load

R 319 R 344 R 372 R 402

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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5 WATER TRADING SERVICES

5.1 DOMESTIC PROPERTY :-

5.1.1 BASIC CHARGE

5.1.1a	Basic Charge	per premises p.a.	R 1 552	R 1 668	R 1 793	R 1 927
5.1.1b	Self Maintained Developments					
5.1.1b (i)	From 1 July 2010 no new developments will qualify for this reduced charge	no reduction of charge	R 1 552	R 1 668	R 1 793	R 1 927
5.1.1b (ii)	Developments with approved contracts will qualify for a rebate (Hunters Village and Hunters Estate)	40% reduction of charge	R 931	R 1 000	R 1 076	R 1 157
5.1.1b (iii)	Only existing phases of developments with approved contracts will qualify for a rebate (Own Haven)	60% reduction of charge	R 621	R 667	R 717	R 771

5.1.2 CONSUMPTION CHARGES

Domestic water consumption will for billing purposes be based on a daily average consumption proportionately averaged for a period of 365 days with an average reading cycle of 31 days. The tiers in the tariff are pro rated according to the days between readings. Consumers shall be charged at the normal domestic consumption charge as set out in 5.1.3 below.

5.1.3 NORMAL DOMESTIC CONSUMPTION CHARGE

5.1.3a	Consumption Charge : First 0 - 6 Kl	per kl	R 0.00	R 0.00	R 0.00	R 0.00
5.1.3b	Consumption Charge: 7 - 10 Kl	per kl	R 9.64	R 10.36	R 11.13	R 11.96
5.1.3c	Consumption Charge: 11 - 20 Kl	per kl	R 15.48	R 16.64	R 17.88	R 19.22
5.1.3d	Consumption Charge : Next 21 - 30 Kl	per kl	R 17.80	R 19.13	R 20.57	R 22.11
5.1.3e	Consumption Charge : Next 31 - 40 Kl	per kl	R 18.76	R 20.17	R 21.68	R 23.31
5.1.3f	Consumption Charge : consumption in excess of 40 Kl	per kl	R 31.48	R 33.84	R 36.38	R 39.11

5.1.4 BULK METERED DOMESTIC PROPERTY

5.1.4.1	In respect of bulk metered domestic property with more than one consumer fed off the bulk meter the Council offers the following alternative tariff options.					
5.1.4.1a	Alternative general residential development with single bulk meter.	per Kl	R 16.56	R 17.80	R 19.13	R 20.56
5.1.4.2	Bulk raw water domestic properties.	per Kl	R 5.32	R 5.72	R 6.15	R 6.61

5.2 DOMESTIC WATER SERVICE CHARGE SOCIAL REBATE :-

5.2.1 The obligation rests on owners to apply for this social rebate and may be granted to the owner in respect of one dwelling unit only, used exclusively for residential purposes and provided the owner submits acceptable proof that the combined gross monthly income of his and his spouse does not exceed :-

5.2.1	(a) Income Group R 0 - R 2 600 a reduction of 100%	p.a.	-100.00%	-100.00%	-100.00%	-100.00%
5.2.1	(b) Income Group R 2 601 - R 3 600 a reduction of 50%	p.a.	-50.00%	-50.00%	-50.00%	-50.00%
5.2.1	(c) Income Group R 3 601 - R 4 200 a reduction of 25%	p.a.	-25.00%	-25.00%	-25.00%	-25.00%

Where a registered owner of a property is a pensioner receiving a government pension of not more than R1,350 [April 1, 2014] per month, applies for a 100% rebate and the spouse also receives the equivalent pension they be accommodated provided there are no other contributors to the household income.

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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5 WATER TRADING SERVICES

5.3 WATER DEPOSITS :-

5.3.1 DOMESTIC WATER DEPOSIT

5.3.2 Prior to a standard metered supply of water being made available a consumer must lodge with the Director Finance a cash deposit determined by taking into account the combined income of the consumer and his spouse, proof of which must be provided, as set out below :-

5.3.2a	Income Group R 0 - R 4,200 p.m.		R 0.00	R 0.00	R 0.00	R 0.00
5.3.2b	Income Group above R 4,200 p.m.	No VAT Charged	R 849	R 913	R 981	R 1 054.58

5.4.3 Determined by the Director Technical Services on receipt of an application for a supply connection or reconnection to a property to be used for industrial purposes wherein the applicant shall indicate an estimate of the monthly water consumption. The initial deposit or bank guarantee so lodged shall be subject to review after 3 months by the Director Finance.

5.3.4 Despite a consumer having lodged a deposit in terms of the scale of consumers deposits as set out the Director Finance shall review and increase the deposit should the consumer have to be disconnected for non-payment of account.

5.3.5 That the Council agrees to the Director Finance conducting a review of all bank guarantees lodged in lieu of a water consumer deposit every two years in August.

5.3.6 The increased water guarantee to be lodged with the Council shall be the equivalent amount payable under the applicable water tariff which the consumer, in the Director Finance's opinion, is likely to consume during three consecutive months and is to be based on the consumption over the previous 6 months.

5.3.7 Notwithstanding the provision the Director Finance may, in lieu of a cash deposit exceeding R500.00, accept a bank guarantee from a consumer as security for the payment of any account that may become due by such consumer for the supply of water, provided that such guarantee shall be for an amount to be determined in terms of the above provisions and is in a format acceptable to Council.

5.3.8 Any security deposited by a customer in cash or as a bank guarantee for a supply of electricity shall cover a supply of 3 months and shall be held as security to be offset against the customers account only in the event of termination of the supply agreement or default of the consumer.

5.3.9 In the event that a customer has not claimed a refund of a cash deposit, after terminating the supply agreement or has for whatever reason ceased to receive a supply for one year, then on the expiry of one year such deposit shall be forfeited to the Council.

5.4 SPORTING ORGANISATIONS :-

5.4.1	SERVICE CHARGE PER ANNUM	per premises	R 835	R 898	R 965	R 1 037.38
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5.4.2 CONSUMPTION CHARGES

5.4.1	Consumption	per Kl	R 9.58	R 10.30	R 11.07	R 11.90
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5.4.3 WATER DEPOSITS :-

5.4.3.1 SPORTING ORGANISATIONS WATER DEPOSIT

5.4.3.1a	Sports Bodies Water Deposit	No VAT Charged	R 379	R 408	R 438	R 471
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5.5 SCHOOLS :-

5.5.1	Service Charge per annum	per premises	R 2 581	R 2 775	R 2 983	R 3 207
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5.5.2	Consumption Charge	per Kl	R 10.67	R 11.47	R 12.34	R 13.27
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5.5.4 Where there are residential premises on the school property and a unique service charge is paid on each of these premises an allowance of 6Kl of free water per month for each residential premises is applicable.

5.6 BUSINESS :-

5.6.1	Service Charge per annum	per premises	R 3 135	R 3 370	R 3 623	R 3 895
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5.6.1a	Consumption Charge	per Kl	R 18.55	R 19.94	R 21.44	R 23
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5.6.2 Where there are residential premises on the business property and a unique service charge is paid on each of these premises an allowance of 6Kl of free water per month for each residential premises is applicable.

5.6.3 WATER DEPOSITS :-

5.6.3.1 BUSINESS / OTHER - ORGANISATIONS WATER DEPOSIT

5.6.3.1a	Business Water Deposit	No VAT Charged				
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	3 month supply +/- 61Kl		R 878	R 944	R 1 014	R 1 090
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5.6.3.1b	Other Properties Water Deposit	3 month supply +/- 61Kl	R 457	R 492	R 529	R 569
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5.6.3.1c	Industrial Concerns Water Deposit	On Application	R 878	R 944	R 1 014	R 1 090
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5.6.3.1d	School Deposit		R 2 400	R 2 580	R 2 774	R 2 982
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5.7 RAW WATER (By Agreement) :-

5.7.1 RAW WATER BASIC OR MINIMUM CHARGE

5.7.1a	Water Minimum Charge: Sparrebosch Golf Course - Bigai Stream Raw Water Supply Line (Currently not in operation)	minimum of 50 Kl per month at rate applicable				
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5.7.2 WATER CONSUMPTION

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
5 WATER TRADING SERVICES						
5.7.2a	Consumption Charge : First 0 - 6 Kl	per Kl	R 0.00	R 0.00	R 0.00	R 0.00
5.7.2b	Consumption Charge : Next 7 - 15 Kl	per Kl	R 2.68	R 2.88	R 3.10	R 3.33
5.7.2c	Consumption Charge : Next 16 - 30 Kl	per Kl	R 4.02	R 4.32	R 4.64	R 4.99
5.7.2d	Consumption Charge : Next 31 - 60 Kl	per Kl	R 6.71	R 7.21	R 7.75	R 8.33
5.7.2e	Consumption excess of 60 kl	per Kl	R 10.73	R 11.53	R 12.40	R 13.33
5.8 SPECIFIC CONSUMERS: Pledge Park Erf 211; Public Park Hornlee Erf 4822; Fraaisig Recreational Park Erf 4526 & Steenbok Nature Reserve Erf 2813						
5.8.1	Service Charge N/A	None	Free	Free		
5.8.2	Consumption Charge p.m.	per Kl	R 6.41	R 6.89	R 7.41	R 7.97
5.9 SUNDRY CHARGES :-						
5.9.1	Metered Fire Hydrant / Swimming Pools Water Sales	per Kl.	R 16.01	16.97	R 18	R 19
5.9.2	Reconnection Fee (Consumer Moving Into Property)	per service	R 203	R 219	R 235	R 253
5.9.3	Disconnection Fee (Consumer Moving out of Property)	per service	R 203	R 219	R 235	R 253
5.9.4	Penalty Reconnection Fee (For Non-payment Of Account)	per service	R 225	R 242	R 260	R 280
5.9.5 Testing of water meters						
5.9.5.a	Meters up to 32mm	per service	R 949	R 1 021	R 1 097	R 1 179
5.9.5.b	Meters between 40mm and 100mm	per service	R 1 912	R 2 056	R 2 210	R 2 376
5.9.5.c	Meters over 100mm	per service	R 2 781	R 2 989	R 3 214	R 3 455
5.9.6	Special Reading	per service	R 203	R 219	R 235	R 253
5.9.7 Repositioning of water meter						
5.9.7.a	Meters up to 32mm	per service	R 625	R 672	R 722	R 776
5.9.7.b	Meters over 32mm	per service	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
5.9.8	Construct new bulk water meter chamber	per service	R 18 139	R 19 500	R 20 962	R 22 534
5.9.9	Arrear Interest charges on accounts 30 days and over.		Bank Rate +1%	Bank Rate +1%	Bank Rate +1%	Bank Rate +1%
5.10 SALE UNMETERED WATER : TANKER DELIVERIES :-						
5.10.1	Minimum Charge	per load or part	R 556	R 598	R 643	R 691
5.10.2	Travelling Cost To and From Delivery Point	per Km	R 13.25	R 14.24	R 15.32	R 16
5.11 NEW CONNECTIONS [Within 20m of water main] :-						
5.11.1	New Connection 15 mm - Connection rebate subject to 5.13.9 below	Assisted Cost	R 163	R 175	R 188	R 202
5.11.2	New Connection 15 mm, subject to 5.13.9 below	per connection	R 5 020	R 5 397	R 5 802	R 6 237
5.11.3	New Connection 20 mm, subject to 5.13.9 below	per connection	R 5 318	R 5 717	R 6 146	R 6 607
5.11.4	New Connection 25 mm, subject to 5.13.9 below	per connection	R 6 458	R 6 943	R 7 464	R 8 024
5.11.5	New Connection 32 mm, subject to 5.13.9 below	per connection	R 11 939	R 12 835	R 13 797	R 14 832
5.11.6	New Connection 50 mm, subject to 5.13.9 below	per connection	R 42 440	R 45 623	R 49 044	R 52 722
5.11.7	New Connection 75 mm, subject to 5.13.9 below	per connection	R 46 319	R 49 793	R 53 528	R 57 543
For 50mm and 75mm connections the cost of building a water meter chamber has been included.						
5.11.8	#REF!	per connection				
5.11.9	New connections longer than 20 meters in length from the water main shall be provided at cost plus 15%.	per connection	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
5.11.10	All residential buildings less than 50 square meters and must be first home builders.	per connection	R 244	R 262	R 282	R 303
5.12 AVAILABILITY CHARGE - VACANT ERVEN :-						
5.12.1	Availability Charge per annum	per erf	R 2 260	R 2 350	R 2 444	R 2 627

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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5 WATER TRADING SERVICES

5.13 PROVISIONS APPLICABLE TO PAYMENT OF ACCOUNTS :-

- 5.13.1 The consumer shall pay the above-mentioned monthly accounts provided that if the consumer fails to pay such charges after the Council has taken such steps as it may consider reasonable to collect such charges, the owner of the premises shall be liable to pay on demand such charges as remain.
- 5.13.2 All accounts become payable when dispatched from the offices of the Director Finance, and should any amount remain unpaid after the date reflected on the account, the Council shall have the right to disconnect the service to which the account relates without further notice. The due date reflected on the account shall not be less than ten calendar days from the date of dispatch of the account.
- 5.13.3 An error or omission in any account or failure to render an account shall not relieve the consumer of his obligation to pay the correct amount due, and the onus shall be on the consumer to satisfy himself that the account rendered is in accordance with the prescribed tariff of charges.

5.14 WATER AUGMENTATION FEE

- | | | | | | |
|---------------------------|--------------------|-----------------|-----------------|----------|----------|
| 5.14.1 Water Augmentation | Per equivalent erf | R 43 645 | R 46 918 | R 50 437 | R 54 220 |
|---------------------------|--------------------|-----------------|-----------------|----------|----------|

5.15 SERVICE CALLS

- | | | | | | |
|---|-------------|--------------|-------|-------|-------|
| 5.15.1 When the Council is called upon by a consumer to attend to any fault or failure of supply at his premises and such fault or failure is not attributed to the Council's staff or equipment, the fee for such service shall be as follows :- | per service | R 299 | R 321 | R 345 | R 371 |
|---|-------------|--------------|-------|-------|-------|

5.16 TAMPERING WITH PREPAID METERS

- | | | | | | |
|--|--------------|----------------|---------|---------|---------|
| A service charge for the first incident of a meter tampering will be billed to the customer who benefited from the tampering. | per incident | R 1 037 | R 1 115 | R 1 199 | R 1 289 |
| A service charge for the second incident of a meter tampering will be billed to the customer who benefited from the tampering. | per incident | R 1 535 | R 1 650 | R 1 774 | R 1 907 |
| A service charge for the third incident of a meter tampering will be billed to the customer who benefited from the tampering. | per incident | R 2 047 | R 2 201 | R 2 366 | R 2 543 |
| After the 4th tamper the meter shall be removed and a new connection fee shall be payable before supply is re-instated. | | | | | |

5.17 ILLEGAL WATER CONNECTIONS

- | | | | | | |
|---|--------------|----------------|----------|----------|----------|
| 5.17.1 A fine for connecting illegally to a municipal water main will be billed to the customer who benefited from the illegal connection | per incident | R 9 707 | R 10 435 | R 11 217 | R 12 058 |
|---|--------------|----------------|----------|----------|----------|

5.18 SURCHARGE: INACCESSIBLE WATER METERS

- 5.18.1 Customers will be notified in writing whenever a water meter has for whatever reason become inaccessible. Consumers will have 14 days from the date of notification to arrange for a reading to be taken.
- | | | | | | |
|---|--------------|--------------|-------|-------|-------|
| 5.18.2 A surcharge will thereafter be levied if no response is received on or before the notice period has expired. | per incident | R 353 | R 379 | R 408 | R 439 |
|---|--------------|--------------|-------|-------|-------|

5.19 A PUNITIVE CONSUMPTION CHARGE OF UP TO 25% ON ALL TARIFFS MAY BE IMPOSED BY SPECIAL RESOLUTION OF COUNCIL DEPENDING ON AVAILABILITY OF RAW WATER

5.20 WATER LEAKS RESULTING FROM PIPE BURSTS

- 5.20.1 Conditions
- 5.20.1.1 Domestic and Business: In terms of water leaks the following Council Policy will apply [CR 28/11/96]
- (i) Relief of 70% on excess water within 30 days of the first excessive account
 - (ii) Relief of 50% on excess water within 60 days of the first excessive account
 - (iii) Relief of 30% on excess water within 90 days of the first excessive account
- 5.20.1.2 Relief will only be granted on production of a plumber's certificate, verified by the Town Engineer, or an on-site inspection carried out by the Town Engineer, and reported on and recommended for assistance. A sworn affidavit in the case of a private individual having repaired the leak is also acceptable.
- 5.20.2 Rebate recipients: In the case of indigent recipients, and senior citizens (age 60 or older) a six months average supply prior to the water leak will be made applicable upon production of a plumber's certificate or sworn affidavit in the case of a private individual having repaired the leak. The excessive consumption above the six monthly average applied, to be waived.

ELECTRICITY TRADING SERVICES: 2014 - 2015 IBT (Inclined Block Tariff)												
Item	Details		Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	% Incr	Tariff 2013/14 excl VAT	Tariff 2014/15 excl VAT	% Incr			
6 ELECTRICITY TRADING SERVICE												
6.1 CLASS OF CONSUMER												
6.1.1 (a) Tariff 1 and 2 : Domestic												
Private dwellings, individual flats, unlicensed residential, social clubs, libraries, museums, churches and church halls, charitable institutions, non-profit organisations, homeowners associations and electric gates not exceeding a rating of 60 Amp per phase. In the case of consumers in the Housing Schemes the maximum rating shall be 20 Amp, but this maximum may be exceeded at the discretion of the Electrotechnical Engineer. All new applications will only be metered by means of a prepaid meter.												
6.1.1 (b) Tariff 3 ; 4 and 5 : Commercial												
Any new commercial or industrial consumer not exceeding a rating of 100 Amp per phase, will only be metered by means of a prepaid meter. Commercial consumers may reconnect on an existing credit meter. Any change from conventional to prepaid metering will be for the cost of the consumer. Only 30; 60 and 100 Amp ratings are available.												
6.1.1 (c) Tariff 7 : Bulk Supply												
Any consumer having a notified maximum demand in excess of 66 kVA (101Amps).												
6.1.1 (d) Tariff 9 : Street Lighting												
Installations maintained by the Council.												
6.1.1 (e) Tariff 10 : Sports Clubs												
Athletic and Sports Clubs operating on premises leased from the Council or occupied by them.												
6.1.1 (f) Tariff 11 : Availability												
An erf , with or without improvements, or, any individual flat or office suite held under sectional title deed, situated within the Municipal Area, which is not connected to the Council's Electricity Supply and which in the opinion of the Council, can reasonably be so connected.												
6.1.2 TARIFF USE RESTRICTION												
No consumer shall be entitled to use more than one of the foregoing tariffs on any premises without the prior approval, in writing, of the Electrotechnical Engineer.												
6.1.3 ELECTRICITY RESALE RESTRICTION												
The resale of electricity must comply with Section 20 of the Standard Electricity By-Laws.												
6.1.4 SUPPLY CONTRACT												
Electricity shall be supplied under these tariffs by contract made or implied, and, with the exemption of approved charges in tenancy, such contract shall be subject to the provisions of section 5 of the Additional Electricity Supply By-Law. If the applicant for an electricity supply is not the owner of the relevant premises, no such supply shall be given by the Council unless, and until such time as the permission of the owner of the premises, or his appointed agent, is given to Council in writing. In such an event the owner ceases to be a consumer in respect of such premises and he will upon again becoming a consumer of such premises have to pay the electricity deposit prescribed in paragraph 6.10.												
6.1.5 BASIC CHARGES												
6.1.5.1 Conventional Metering												
The fixed basic (service) charges shall be payable at the rate indicated from every month, or portion thereof, following the date upon which the consumer has applied for the services to be connected or upon which the Council is ready to effect such connection to the supply mains, whichever may be the later, irrespective of whether the supply of electricity is used or not.												
6.1.5.2 Prepaid Metering												
Prepaid meters will have a fixed daily rate.												
6.1.6 HOLIDAY HOUSE												
6.1.6.1 A single residential property at which electricity (kWh) has not been purchased for three consecutive months is classified as a "Holiday Home".												
6.1.6.2 In order to change the name of the consumer as well as the tariff codes etc. an administration fee will be charged whenever a holiday house becomes permanently occupied.												
6.1.6.3 The responsibility to prove that a house is/was physically permanently occupied, will be on the onus of the applicant.												
6.1.6.4 The same tariff as Domestic Prepaid Electricity Meter is applicable where a Daily Rate is charged. If the criteria is met , application can be made on a yearly basis for an electrical consumption assessment in order to qualify for the All Inclusive Energy Charge.												
6.2 SUPPLY RATING												
6.2.1 ALTERATION OF SUPPLY RATING												
In respect of tariffs 1, 2, 3, 4 and 5 one(1) month's written notice shall be given if a consumer wishes to alter the rating of the Council's circuit breaker installed under these tariffs, except that a reduction in size will only be permitted in respect of tariffs 1 and 2 within 6 months of a previous change in the circuit breaker size . The following fees are payable in advance and must accompany the written notice for a change in circuit breaker size :-												
Consumers Within Municipal Area: Downgrades / Upgrades												
6.2.1.1 Single phase credit meter connections per connection R 490.00 R 510.00 4.1% R 429.82 R 447.37 4.08%												
6.2.1.2 Three Phase credit meter connections per connection R 1 300.00 R 1 520.00 16.9% R 1 140.35 R 1 333.33 16.92%												
6.2.1.3 Prepaid Metering - Single and Three Phase per connection R 380.00 R 596.00 56.8% R 333.33 R 522.81 56.84%												
6.2.2 Change from Three Phase to Single Phase												
Change from three phase Conventional or Prepaid to single phase prepaid metering only per connection R 999.00 R 1 880.00 88.2% R 876.32 R 1 649.12 88.19%												
6.3 TARIFFS : PREPAID METERING												
6.3.1 TARIFF 1[A] : DOMESTIC - ELECTRIFICATION SCHEME												
Prepaid Metering: Only Single Phase is available												

6.3.1.1	20A : Electrification Housing Scheme (Limited to 20A)								
	Pre Paid Electricity Tariff has the first 50kWh free								
	Block 1: 0 - 50kWh	cents per kWh	R 0.00	R 0.00	0.0%	R 0.0000	R 0.0000	0.00%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Municipal Services Access Contribution (MSAC)	per month	R 0.00	R 30.00	0.0%	R 0.0000	R 26.3158	New	
6.3.2	TARIFF 1[B] : DOMESTIC								
	Prepaid Electricity Metering								
6.3.2.1	30A : Domestic Consumption								
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Daily Rate		R 1.52	R 1.78	17.3%	R 1.3300	R 1.5600	17.29%	
							R 1.2871		
6.3.2.2	60A : Domestic Consumption								
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Daily Rate		R 3.03	R 3.56	17.3%	R 2.6600	R 3.1200	17.29%	
6.3.4	TARIFF 1[C] : DOMESTIC - ALL INCLUSIVE ENERGY TARIFF								
	Limited to single phase 60A or the maximum design capacity of the network supplying the area, e.g. 30A, and only for electrification and residential areas. Application must be made to convert to this tariff and it will be at the discretion of the Electrotechnical Engineer if the criteria is met. Monthly purchases of electricity have to be made for at least 11 of the prior 12 consecutive months in order to qualify for the following year. This tariff has the Daily Rate built into the energy charge of Blocks 1&2. This tariff is NOT available to holiday houses, the commercial sector or 3Phase metering.								
6.3.4.1	Block 1: 0 - 50kWh	cents per kWh	R 1.02	R 1.09	6.5%	R 0.8970	R 0.9550	6.47%	
	Block 2: 51 - 350kWh		R 1.24	R 1.33	7.5%	R 1.0860	R 1.1670	7.46%	
	Block 3: 351 - 600kWh		R 1.33	R 1.42	7.3%	R 1.1630	R 1.2480	7.31%	
	Block 4: 601 - 800kWh		R 1.44	R 1.54	7.3%	R 1.2600	R 1.3520	7.30%	
	Block 5: > 801kWh		R 1.53	R 1.65	7.4%	R 1.3450	R 1.4440	7.36%	
	No Daily Rate applicable								
6.3.5	TARIFF 1[D] : DOMESTIC - THREE PHASE								
	Prepaid Electricity Metering								
6.3.5.1	30A : Domestic Consumption								
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Daily Rate		R 4.40	R 5.15	17.1%	R 3.8600	R 4.5200	17.10%	
6.3.5.2	60A : Domestic Consumption								
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Daily Rate		R 8.79	R 10.32	17.4%	R 7.7100	R 9.0500	17.38%	
6.3.6	TARIFF 3[A] : COMMERCIAL SINGLE PHASE								
6.3.6.1	30 Amp : Commercial Consumption								
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%	
	Daily Rate	per day	R 5.56	R 5.72	2.9%	R 4.8800	R 5.0200	2.87%	
6.3.6.2	60 Amp : Commercial Consumption								
	Consumption charge no limit to units	cents per kWh	R 1.29	R 1.47	14.2%	R 1.2000	R 1.2900	7.50%	
	Daily Rate	per day	R 10.78	R 11.45	6.1%	R 9.7600	R 10.0400	2.87%	
6.3.7	TARIFF 3[B] : COMMERCIAL THREE PHASE								
6.3.7.1	30 Amp : Commercial Consumption								
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%	
	Daily Rate	per day	R 16.13	R 16.60	2.9%	R 14.1500	R 14.5600	2.90%	
6.3.7.2	60 Amp : Commercial Consumption								
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%	
	Daily Rate	per day	R 32.26	R 33.20	2.9%	R 28.3000	R 29.1200	2.90%	
6.3.7.3	100 Amp : Commercial Consumption								
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%	
	Daily Rate	per day	R 53.77	R 55.32	2.9%	R 47.1700	R 48.5300	2.88%	
TARIFFS : CONVENTIONAL METERING (CREDIT METER)									
6.3.8	TARIFF 2[A] : DOMESTIC SINGLE PHASE								
	Standard Metering								
6.3.8.1	30A : SINGLE PHASE Domestic Consumption								
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%	
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%	
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%	
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%	
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%	
	Monthly Basic Charge		R 81.05	R 83.45	3.0%	R 71.1000	R 73.2000	2.95%	

6.3.8.2	60A : SINGLE PHASE Domestic Consumption							
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%
	Monthly Basic Charge		R 162.11	R 166.90	3.0%	R 142.2000	R 146.4000	2.95%
6.3.8.3	80A : SINGLE PHASE Domestic Consumption (NOT AVAILABLE FOR NEW CONSUMERS OR CHANGE OF CONSUMER)							
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%
	Monthly Basic Charge		R 435.48	R 484.00	11.1%	R 382.0000	R 424.5600	11.14%
6.3.9	TARIFF 2[B] : DOMESTIC THREE PHASE							
	Standard Metering							
	These charges shall also apply to polyphase connections but the monthly basic charge shall be payable at the rates per ampere rating of the polyphase circuit breaker installed multiplied by the number of poles.							
	A monthly minimum basic charge, based on 30 amperes per phase shall be payable by the owner of a building where an individual consumer service connection is installed, and will also be applicable to all consumer service connections which temporarily do not make use of the consumer service connection. For the application of this tariff the owner shall be as is described in section 2 of the Valuation Ordinance of 1993.							
	In such cases where an ampere rating falls in between any of the above ampere categories the basic charge applicable to such case shall be the higher basic charge.							
6.3.9.1	30A : 3 PHASE Domestic Consumption							
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%
	Monthly Basic Charge		R 235.06	R 242.00	3.0%	R 206.1900	R 212.2800	2.95%
6.3.9.2	60A : 3 PHASE Domestic Consumption							
	Block 1: 0 - 50kWh	cents per kWh	R 0.78	R 0.83	5.5%	R 0.6860	R 0.7240	5.54%
	Block 2: 51 - 350kWh		R 0.97	R 1.03	6.5%	R 0.8520	R 0.9070	6.46%
	Block 3: 351 - 600kWh		R 1.31	R 1.41	7.4%	R 1.1530	R 1.2380	7.37%
	Block 4: 601 - 800kWh		R 1.43	R 1.53	7.4%	R 1.2500	R 1.3420	7.36%
	Block 5: > 801kWh		R 1.52	R 1.63	7.4%	R 1.3350	R 1.4340	7.42%
	Monthly Basic Charge		R 470.11	R 484.00	3.0%	R 412.3800	R 424.5600	2.95%
6.3.10	TARIFF 5[A] : COMMERCIAL SINGLE PHASE							
	Standard Metering: Single Phase							
6.3.10.1	30 Amp : Commercial Consumption							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%
	Basic Charge	per billing mth	R 211.36	R 217.51	2.9%	R 185.4000	R 190.8000	2.91%
6.3.10.2	60 Amp : Commercial Consumption							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%
	Basic Charge	per billing mth	R 422.71	R 435.02	2.9%	R 370.8000	R 381.6000	2.91%
6.3.10.3	80 Amp : Commercial Consumption (NOT AVAILABLE TO NEW CONSUMERS OR CHANGE OF CONSUMER)							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%
	Basic Charge	per billing mth	R 934.80	R 1 037.40	11.0%	R 820.0000	R 910.0000	10.98%
6.3.10.4	100 Amp : Commercial Consumption (NOT AVAILABLE TO NEW CONSUMERS OR CHANGE OF CONSUMER)							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.2000	R 1.2900	7.50%
	Basic Charge	per billing mth	R 1 225.86	R 1 261.57	2.9%	R 1 075.3200	R 1 106.6400	2.91%
6.3.11	TARIFF 5[B] : COMMERCIAL THREE PHASE							
	Standard Metering: Three Phase							
	A monthly minimum basic charge, based on 30 Amps per phase, shall be payable by the owner of a building where an individual consumer service connection is installed, and will also be applicable to all consumer service connections which temporarily do not make use of the consumer service connection. For the application of this tariff the owner shall be as is described in section 2 of the Valuation Ordinance of 1993.							
6.3.11.1	30 Amp : Commercial Consumption							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.20	R 1.29	7.50%
	Basic Charge	per billing mth	R 612.93	R 630.78	2.9%	R 537.66	R 553.32	2.91%
6.3.11.2	60 Amp : Commercial Consumption							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.20	R 1.29	7.50%
	Basic Charge	per billing mth	R 1 225.86	R 1 261.57	2.9%	R 1 075.32	R 1 106.64	2.91%
6.3.11.3	80 Amp : Commercial Consumption (NOT AVAILABLE TO NEW CONSUMERS OR CHANGE OF CONSUMER)							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.20	R 1.29	7.50%
	Basic Charge	per billing mth	R 2 043.11	R 2 102.62	2.9%	R 1 792.20	R 1 844.40	2.91%
6.3.11.4	100 Amp : Commercial Consumption							
	Consumption charge no limit to units	cents per kWh	R 1.37	R 1.47	7.5%	R 1.20	R 1.29	7.50%
	Basic Charge	per billing mth	R 2 043.11	R 2 102.62	2.9%	R 1 792.20	R 1 844.40	2.91%
6.3.12	TARIFF 7[A] : BULK SUPPLY							
	Conditions Of Supply							
6.3.12.1	Minimum Notified Maximum Demand shall be 66 kVA							

6.3.12.2	The supply of electricity to consumers metered in terms of this tariff scale shall be at MV (Medium Voltage) or LV (Low Voltage) connection and at the discretion of the Electrotechnical Engineer.							
6.3.12.3	This tariff shall be applicable to any service where the consumer contracts in writing to take supply or pay the minimum charges for an initial period of at least two (2) years after which the contract may be terminated subject to six (6) months written notice of termination by the consumer.							
6.3.12.4	On making application for a supply under this tariff the consumer's notified maximum demand shall not be exceeded by more than 25% without at least three (3) months notice having been given in writing to the Town Electrotechnical Engineer. On expiry of such period of notice, or immediately if such increase has occurred without notification, the increased figure shall become the notified maximum demand for the purposes of this tariff.							
6.3.12.5	The maximum demand charge shall be payable at the rate indicated for every month or portion thereof following the date upon which the consumer has applied for the service to be connected or upon which the Council is ready to effect such connection to the supply mains, whichever may be the later, irrespective of whether the supply of electricity is used or not. The said charge shall continue to be payable until the expiry of the period of notice required to be given and shall be based upon the notified maximum demand or the maximum demand of the installation. Such maximum demand shall be the maximum load of that installation sustained or averaged for any 30 minute period during any month. If so required by the Town Electrotechnical Engineer, the maximum current in amperes sustained or averaged for any such 30 minute period in the heaviest load phase at the declared voltage of supply. Any demand meter, time switch or other apparatus necessary for the determination of the maximum demand shall be deemed to be a meter in terms of the Standard By-Law.							
6.3.12.6	VACANT ERVEN - BULK Supply to Developments							
	This fee shall apply to vacant erven only. In the case of developments taking the electricity supply at bulk, the availability fee payable in respect of vacant erven shall be waived however the Network Access charge shall be payable on the Notified Demand or the highest recorded maximum demand for the month in question, whichever is the greatest.							
6.3.12.7	CLOSED HOUSING DEVELOPMENTS - RESIDENTIAL BULK SUPPLY TO CLOSED HOUSING DEVELOPMENTS							
	Closed Housing Developments that are metered by means of a Bulk meter can annually apply in writing for the Residential Bulk Low Voltage Tariff. This tariff is only for resellers of electricity to housing developments, sectional title schemes and blocks of flats. This tariff also does not allow for Time of Use . Eligibility for the new tariff will be determined by the Director of Finance and will be at his discretion. Application must be made one (1) month before the new financial year (01 June).							
6.3.12.8	MONTHLY BASIC CHARGE							
	Basic Charge	per month	R 652.08	R 671.46	3.0%	R 572.00	R 589.00	2.97%
6.3.12.9	MAXIMUM DEMAND CHARGES - All areas							
	Maximum Demand Charge: Low voltage supply (< 500V)	per KVA	R 171.93	R 178.81	4.0%	R 150.8200	R 156.8500	4.00%
	Network Access Charge	per KVA	R 33.01	R 34.34	4.0%	R 28.9600	R 30.1200	4.01%
	Energy Charge - Low (< 500 V)	cents per kWh	R 0.56	R 0.62	11.0%	R 0.4936	R 0.5478	10.98%
	Maximum Demand Charge: High voltage supply (>= 500 V and <22kV)	per KVA	R 159.90	R 166.29	4.0%	R 140.2600	R 145.8700	4.00%
	Network Access Charge	per KVA	R 30.70	R 31.93	4.0%	R 26.9300	R 28.0100	4.01%
	Energy Charge - High (> 500 V)	cents per kWh	R 0.52	R 0.58	11.0%	R 0.4590	R 0.5095	11.00%
6.3.13	TARIFF 7B: BULK SUPPLY - TIME OF USE TARIFF							
6.3.13.1	Available to customers with supplies less than 500V who can shift their load to defined time period							
6.3.13.1.1	Time of use tariff - Availability to bulk residential developments							
	The Time of Use (TOU) tariff will only be available for residential developments on a Commercial Bulk Supply after 60% of the erven in the development have houses build on the erven and occupation of the houses have been taken. The TOU tariff is not applicable to the new Residential Bulk Supply tariff (6.3.13.11)							
	Once a consumer has changed to the TOU tariff, a minimum stay period of 12 months is required. Once the 12 months have elapsed, application can be made to change back to the Maximum Demand Tariff. A 3 Month termination notice must be given.							
	Consumers must have the necessary electronic metering equipment installed and correctly programmed for the TOU at their cost.							
	Where existing Consumers consider conversion to TOU, it will be the Consumers' responsibility to do a tariff study.							
	The Reactive Energy Charge is applied to kVAh in excess of 30% (0.96 Power Factor) of kWh recorded during peak and standard periods. The excess reactive energy is determined per 30 minute integrating period and accumulated for the month and will only be applicable during high-demand season.							
	LOW VOLTAGE							
6.3.13.2	Basic Charge	per month	R 652.08	R 671.46	3.0%	R 572.00	R 589.00	2.97%
6.3.13.3	Network Demand Charge	per KVA	R 42.77	R 44.48	4.0%	R 37.52	R 39.02	4.00%
6.3.13.4	Network Access Charge	per KVA	R 33.01	R 34.34	4.0%	R 28.96	R 30.12	4.01%
6.3.13.5	Energy Charge : LOW VOLTAGE SUPPLY							
6.3.12.5.1	High Demand (June to August)							
	Peak	cents per kWh	R 2.64	R 2.93	11.0%	R 2.3185	R 2.5735	11.00%
	Standard	cents per kWh	R 0.85	R 0.94	11.0%	R 0.7422	R 0.8238	10.99%
	Off-Peak	cents per kWh	R 0.49	R 0.54	11.0%	R 0.4291	R 0.4763	11.00%
6.3.13.5.2	Low Demand (Sept. to May)							
	Peak	cents per kWh	R 0.91	R 1.01	11.0%	R 0.7949	R 0.8823	11.00%
	Standard	cents per kWh	R 0.64	R 0.71	11.0%	R 0.5648	R 0.6269	11.00%
	Off-Peak	cents per kWh	R 0.43	R 0.48	11.0%	R 0.3793	R 0.4210	10.99%
6.3.13.5.3	Reactive Energy Charge	cent per kVAh	R 0.11	R 0.12	11.0%	R 0.09820	R 0.10900	11.00%
	HIGH VOLTAGE (>=500V and < 66kV)							
6.3.13.7	Basic Charge	per month	R 652.08	R 671.46	3.0%	R 572.0000	R 589.0000	2.97%
6.3.13.8	Network Demand Charge	per KVA	R 39.77	R 41.37	4.0%	R 34.8900	R 36.2900	4.01%
6.3.13.9	Network Access Charge	per KVA	R 30.70	R 31.93	4.0%	R 26.9300	R 28.0100	4.01%
6.3.13.10	Energy Charge: HIGH VOLTAGE (>=500V and < 66kV)							
6.3.13.10.1	High Demand (June to August)							

	Peak	cents per kWh	R 2.46	R 2.73	11.0%	R 2.1562	R 2.3934	11.00%
	Standard	cents per kWh	R 0.79	R 0.87	11.0%	R 0.6902	R 0.7661	11.00%
	Off-Peak	cents per kWh	R 0.45	R 0.51	11.0%	R 0.3991	R 0.4430	11.00%
6.3.13.10.2	Low Demand (Sept. to May)							
	Peak	cents per kWh	R 0.84	R 0.94	11.0%	R 0.7393	R 0.8205	10.98%
	Standard	cents per kWh	R 0.60	R 0.66	11.0%	R 0.5253	R 0.5830	10.98%
	Off-Peak	cents per kWh	R 0.40	R 0.45	11.0%	R 0.3527	R 0.3915	11.00%
6.3.13.10.3	Reactive Energy Charge	cent per kVAh	R 0.11	R 0.11	0.0%	R 0.0982	R 0.0982	0.00%
6.3.13.11	<u>TARIFF 7C: RESIDENTIAL BULK SUPPLY - HOUSING DEVELOPMENTS</u>							
6.3.13.11.1	Basic Charge	per month	R 0.00	R 671.46		R 0.00	R 589.0000	0.00%
6.3.13.11.2	Network Demand Charge	per KVA	R 0.00	R 0.00		R 0.00	R 0.0000	0.00%
6.3.13.11.3	Network Access Charge	per KVA	R 0.00	R 34.34		R 0.00	R 30.1200	0.00%
6.3.13.11.4	Energy Charge	cents per kWh	R 0.00	R 1.03		R 0.00	R 0.9070	0.00%
6.3.14	<u>TARIFF 9 : STREET LIGHTING</u>							
	ENERGY CHARGE							
6.3.14.1	Street Lighting Consumption	per kWh	R 1.35	R 1.54	14.4%	R 1.26	R 1.35	7.14%
6.3.14.2	Unmetered Street Light Consumption is to be estimated by the Town Electrotechnical Engineer at 4000 Burning Hours p.a.	per street light	TEE to determine					
6.3.15	<u>TARIFF 10 (A) : SPORTS CLUBS</u>							
6.3.15.1.1	In respect of Floodlights at sports fields which are separately metered and which are erected on the property of the Council, no monthly fixed charge will be payable.							
	<u>SINGLE PHASE</u>							
6.3.15.2	30 Amp							
	Consumption charge no limit to units	cents per kWh	R 1.23	R 1.41	14.6%	R 1.1530	R 1.2380	7.37%
	Basic Charge	per billing mth	R 78.66	R 83.45	6.1%	R 71.1000	R 73.2000	2.95%
6.3.15.3	60 Amp							
	Consumption charge no limit to units	cents per kWh	R 1.23	R 1.41	14.6%	R 1.1530	R 1.2380	7.37%
	Basic Charge	per billing mth	R 157.32	R 166.90	6.1%	R 142.2000	R 146.4000	2.95%
	<u>THREE PHASE</u>							
6.3.15.4	30 Amp							
	Consumption charge no limit to units	cents per kWh	R 1.23	R 1.41	14.6%	R 1.1530	R 1.2380	7.37%
	Basic Charge	per billing mth	R 228.00	R 242.00	6.1%	R 206.1900	R 212.2800	2.95%
6.3.15.5	60 Amp							
	Consumption charge no limit to units	cents per kWh	R 1.23	R 1.41	14.6%	R 1.1530	R 1.2380	7.37%
	Basic Charge	per billing mth	R 456.00	R 484.00	6.1%	R 412.3800	R 424.5600	2.95%
6.3.15.6	<u>TARIFF 10 (C) : SPORTS CLUBS - PREPAID METERING</u>							
6.3.15.6.1	Hornlee Sports Field		R 95.92	R 103.02	7.4%	R 84.1400	R 90.3700	7.40%
6.3.15.6.2	Dam-se-Bos Sports Field		R 42.25	R 45.37	7.4%	R 37.0600	R 39.8000	7.39%
6.3.15.6.3	White Location Sports Field		R 1.46	R 1.57	7.8%	R 1.2800	R 1.3800	7.81%
6.3.15.6.4	Smutsville Netball Club		R 1.46	R 1.57	7.8%	R 1.2800	R 1.3800	7.81%
6.3.15.6.5	Smutsville Sports Club	per kWh	R 42.25	R 45.37	7.4%	R 37.0600	R 39.8000	7.39%
6.3.15.7	<u>LOERIE PARK HIGHMAST LIGHTING</u>							
6.3.15.7.1	Practice	per hour	R 35.00	R 37.59	7.4%	R 30.7018	R 32.9700	7.39%
6.3.15.7.2	Club	per hour	R 60.00	R 64.44	7.4%	R 52.6316	R 56.5300	7.41%
6.3.15.7.3	National	per hour	R 170.00	R 182.58	7.4%	R 149.1228	R 160.1600	7.40%
6.3.16	<u>TARIFF 11 : AVAILABILITY CHARGE [see 6.1.1 (f)]</u>							
6.3.16.1	Single residential	per annum	R 2 266.32	R 2 437.32	7.5%	R 1 988.00	R 2 138.00	7.55%
6.3.16.1.1	Other	per annum	R 6 232.38	R 6 700.92	7.5%	R 5 467.00	R 5 878.00	7.52%
	This charge is due and payable on 1 July each year by the owner of each erf or individual flat, shop or office suite held under Sectional Title Deed or sub-rental agreement which is not connected to the Council's mains and which, in the opinion of the Council, can reasonably be so connected. Should such erf, individual flat, shop or office suite be connected to the supply mains during the period in respect of which the annual charges per 6.3.18.1 or 6.3.18.2 were payable, such annual charge shall be adjusted for that year for the period calculated from the date of connection to the 30th of June of that year. Should the supply to any such erf, individual flat, shop or office suite be discontinued, then a pro-rata amount of the annual charge per 6.3.18.1 or 6.3.18.2, whichever is applicable, shall be levied from the date of disconnection to the 30th June of that year and thereafter annually for as long as supply is not taken from the Council's mains.							
6.3.16.1.2	Should the charge not be paid by 30 September in the year in which it became due and payable, interest at the standard rate defined in section 2 of Ordinance 20 of 1974, and calculated in terms of section 89(3) of the same Ordinance, shall be paid thereon from the 1 October of such year.							
6.3.16.1.3	Property owners who have elected to pay their assessment rates in instalments in terms of section 90 of Ordinance 20 of 1974, shall be entitled to pay the charges referred to in sub-section 6.3.18.1 and 6.3.18.2 in equal monthly instalments, interest free, provided each instalment is paid by the last day of each month. Failure to pay such instalments timeously will result in the same interest mentioned in sub-section 6.3.18.4 above being payable for each month the property owner defaults.							
6.4	<u>SERVICE CONNECTIONS</u>							
6.4.1	<u>Service Connection To Premises</u>							
	The council shall provide a service connection between the supply main and the consumer's installation within the Council Area of supply as determined by the Electricity Control Board, in terms of the Standard By-Law. In all cases within the Council's area of supply the consumer shall, at no cost to the Council, provide a satisfactory cable trench on his property, for such service connection to the boundary line of the premises along a route indicated by the Electrotechnical Engineer.							
	In the case of a Temporary Builder's Supply, the connection will be a 30Amp (maximum) supply that will be conventionally metered until the connection is swung to the permanent supply which will be a Prepaid Metering.							
	For Public Lighting and Gate House Controls, only a conventional meter with a 30Amp (maximum) supply will be permissible.							

6.4.2	<u>Service Connection Metering Requirements</u>							
6.4.2.1	<u>Single Phase Connections</u>							
	In the case of single phase or three phase domestic and commercial connections, use will only be made of the Prepaid Metering system unless otherwise determined by the Electrotechnical Engineer.							
6.4.2.2	<u>Second Meters On Erf</u>							
	Application for the provision of a second meter on an erf will be done by means of a prepaid meter provided that:-							
	The main house is limited to 30Amps maximum and,							
	The 2nd dwelling is also limited to 30Amps maximum.							
6.4.3	<u>CONNECTION FEES TARIFFS 1,2,3 and 5</u>							
6.4.3.1	Connection fee for Single phase:							
	Service Connection: Prepaid Meter	per connection	R 6 000.00	R 7 410.00	23.5%	R 5 263.16	R 6 500.00	23.50%
	Housing Schemes Commitment Fee	per connection	R 250.00	R 250.00	0.0%	R 219.30	R 219.30	0.00%
6.4.3.2	Connection fee for Three phase:							
	Service Connection: Prepaid Meter	per connection	R 9 000.00	R 10 260.00	14.0%	R 7 894.74	R 9 000.00	14.00%
6.4.3.3	Commitment fee for pre-paid metered supply in self-help housing schemes	per connection	R 500.00	R 550.00	10.0%	R 438.60	R 482.46	10.00%
6.4.3.4	Where the distance from the Council's point of supply and the consumers point of control exceeds 50 meters, the consumer shall pay the additional costs plus 15% administration and supervision fees, based on such calculated costs.							
6.4.3.5	All service connections other than those described in paragraph (a) shall be charged at cost from supply mains to consumers point of supply inclusive of the Council's main switch, metering equipment and where applicable HV switch gear, transformers, HV and LV cabling and tariff circuit breaker plus 15% administration and supervision charges. In the event of the total cost being less than the appropriate fees in paragraph (a) the fees therein shall be payable.							
6.4.3.6	Changing from single phase to three-phase connection is the total cost price plus 15% less a credit of R72.00 if the meter can at the discretion of the Electrotechnical Engineer be successfully re-used at any other installation. Internal charges from three-phase to single-phase at a basic fee of R 650.00 less a rebate of R 150.00 for the three-phase meter if at the discretion of the Town Electrotechnical Engineer it could be re-used at any other installation. All other connections at cost price plus;							
6.4.3.7	Where a new connection is required to premises from which a previous connection has been disconnected and removed, the fees and charges prescribed in sub-section (3) shall be payable, subject to adjustment for the depreciated value of any materials or equipment the Town Electrotechnical Engineer may decide to re-use for the new service connection.							
6.4.3.8	Where in terms of the Standard By-Law accommodation is provided on the premises for the housing of the Council's transformer plant required to supply the consumer's premises as well as to supply the adjacent area, the connection fee shall be the cost of providing the medium voltage connection, The Council's main switch and metering equipment plus the pro-rata cost of the transformer and HV switch-gear plus 15% of the total cost in respect of administration and supervision charges.							
6.4.3.9	The total cost of connection fees shall be payable in advance.							
6.4.3.10	<u>Conversion from conventional meter to prepaid meter.</u>							
	This conversion fee only subsidizes the first change from 1 conventional meter to 1 prepaid meter. Additional and or new meters will be charged full price.							
	Single Phase		R 499.00	R 820.00	64.3%	R 437.72	R 719.30	64.33%
	Three Phase		R 1 499.00	R 2 000.00	33.4%	R 1 314.91	R 1 754.39	33.42%
6.5	<u>SERVICE CALLS</u>							
	When the Council is called upon by a consumer to attend to any fault or failure of supply at his premises and such fault or failure is not attributed to the Council's staff or equipment, the fee for such service in terms of Section 22 of the Standard By-Law shall be as follows :-							
6.5.1	<u>DURING NORMAL WORKING HOURS</u>							
6.5.1.1	- All Areas	per service	R 380.00	R 400.00	5.3%	R 333.33	R 350.88	5.26%
6.5.2	<u>AFTER NORMAL WORKING HOURS</u>							
6.5.2.1	- All Areas	per service	R 450.00	R 600.00	33.3%	R 394.74	R 526.32	33.33%
6.5.2	<u>PREPAID METERING CHARGES</u>							
6.5.2.1	Tariff change Admin Fee - single or 3Ph Prepaid Metering	per change	R 266.25	R 285.00	7.0%	R 233.55	R 250.00	7.04%
6.5.2.2	Vendors - Admin Charge for Token Validation	per service	R 53.25	R 96.90	82.0%	R 46.71	R 85.00	81.97%
6.5.2.3	Issue of Tokens that have been incorrectly purchased by the consumer on a different meter and not the consumer's meter.	per service	R 0.00	R 627.00	NEW	R 0.00	R 550.00	NEW
6.6	<u>DISCONNECTION AND RECONNECTION : CHANGE OF CONSUMER</u>							
6.6.1	Where premises have been disconnected upon termination of the supply agreement as result of change of consumer, or when a temporary disconnection of supply has been effected in terms of Section 28(1) and (2) of the Standard By-Law, reconnection shall be made after payment of the following:-							
6.6.2	<u>DURING NORMAL WORKING HOURS</u>							
6.6.2.1	- All Areas	per service	R 200.00	R 400.00	100.00%	R 200.85	R 350.88	74.70%
6.6.3	<u>AFTER NORMAL WORKING HOURS</u>							
6.6.3.1	- All Areas	per service	R 500.00	R 600.00	20.00%	R 503.00	R 526.32	4.64%
6.6.4	<u>DISCONNECTION AND RECONNECTION : NON-PAYMENT OF ACCOUNT</u>							
	When disconnection of the supply has been effected in terms of section 19 of the standard By-Law, reconnection shall be made subject to the approval of the Manager Finance on payment of a basic fee as stated below, provided that no such approval shall be given if the full amount of the outstanding charges which have accrued in terms of these Tariff of Charges either prior to or during the period of disconnection, have not been paid, together with any outstanding deposit referred to in Section 6.10.							

	The basic reconnection fee payable for non-payment of account shall accrue and be due and payable whether the supply has been disconnected or not, provided that in all cases the Manager Finance has issued written instructions to the Town Electrotechnical Engineer to disconnect the supply to the premises. Notwithstanding such connection the ampere charge for the contracted supply shall accrue as if disconnection was not made.							
6.6.4.1	- All Areas							
	During normal working hours	per service	R 213.00	R 228.00	7.0%	R 186.84	R 200.00	7.04%
	After normal working hours	per service	R 532.51	R 570.00	7.0%	R 467.11	R 500.00	7.04%
6.6.5	When in terms of Section 28 of the Standard By-Law a temporary disconnection of supply has been effected at the consumer's request or as directed by the Town Electrotechnical Engineer to enable such building alterations or additions to be made and such building is supplied with an overhead service connection, the Town Electrotechnical Engineer may require the reconnection to be by means of an underground service connection. The cost, excluding the Council's main switch and metering equipment							
6.6.6	When in terms of Section 28 of the Standard By-Law a temporary disconnection is made at the request of the consumer, the ampere charge for the contracted supply will accrue against the consumer and be paid by him in terms of these Tariff of Charges and Additional Electrical By-Laws as if such disconnection was not effected.							
6.7	METER TEST							
	When in terms of Section 58 of the Standard By-Law, a consumer requires a meter to be tested, the fee to be deposited at the office of the Municipal Manager Finance for each such meter shall be as follows :-							
6.7.1	WITHIN THE MUNICIPAL AREA							
6.7.1.1	- Single and Three phase meter (including Pre Paid meter)	per test	R 415.36	R 799.00	92.4%	R 364.35	R 700.88	92.36%
6.8	SPECIAL METER READINGS							
6.8.1	Where in terms of Section 59 of the Standard By-Law a consumer requires a special reading of a meter, such service shall be rendered by the Council on payment of the following fees :-							
6.8.1.1	All Areas	per service	R 380.00	R 400.00	5.3%	R 333.33	R 350.88	5.26%
6.8.2	In cases where a final account is required for an approved of tenancy is involved, the fee referred to in this section shall be waived.							
6.8.3	This sum will also be waived in cases where a special meter reading reveals that the last reading was incorrect and provided that such incorrect reading had not been processed for assessment purposes.							
6.9	INSPECTION AND TEST							
6.9.1	Where in terms of Section 53 of the Standard By-Law the inspection or test of an installation is required, the following fees shall be payable before each such inspection or test :-							
6.9.1.1	Within the Municipal Area	per service	R 380.00	R 400.00	5.3%	R 333.33	R 350.88	5.26%
6.10	DEPOSITS							
	The Municipal Manager Finance may accept bank or such other suitable guarantees in lieu of deposits which exceed R 1 000.00. Before obtaining a supply of electricity from the Council's mains, in terms of Section 17 of the Standard By-law, all consumers must pay cash deposits as set out below :-							
6.10.1	TARIFF 1							
	Where metering is done by means of the Prepaid Meters, no deposit will be payable.							
6.10.2	TARIFF 2							
	With the use of the rotating disc meter the deposit will be six times the total charge of the ampere rating of the circuit breaker installed and which does not exceed 40 ampere, and five times the total charge of the ampere rating of the circuit breaker or circuit breakers installed if such charge exceeds 40 amperes.							
6.10.3	TARIFF 3							
	Three times the total charge of the ampere rating of the circuit breaker or circuit breakers installed.							
6.10.4	TARIFF 5							
	Where metering is done by means of the Prepaid Meters, no deposit will be payable.							
6.10.5	TARIFF 7							
	Three times the demand charge based on 70% of the notified maximum demand, Bulk Supply Section 6.3.14.4 notice is given of an intended increase in the notified maximum demand.							
6.10.6	DEPOSIT ADJUSTMENT							
6.10.6.1	When a domestic consumer fails to pay the account by the due date and his name appears on the Disconnection List thereafter issued by the Director of Finance, the deposit of the consumer shall be reviewed and adjusted by the Director of Finance to cover an account for electricity and water for a period of 3 months based on the consumers consumption over the previous 6 months.							
6.10.6.2	When, at the request of the consumer the rating of the tariff circuit breaker is increased, the consumer must augment his deposit by an amount fixed by the Director of Finance.							
6.10.6.3	Where the rating of the main circuit breaker is decreased the consumer is entitled to claim in writing a refund of the difference between the previous deposit and the deposit applicable to the lower rating. In the above tariffs the words "charge" and "amount" shall be that prescribed in Section 1 together with any surcharge which at time of application for a supply may be applicable in terms of Section 187 (5) of Ordinance 20 of 1974 and section 19G(7)(a) and (b) of the Local Government Transition Act 209 of 1993, as amended.							
6.10.6.4	That the Council agrees to the Director of Finance conducting a review of all bank guarantees lodged in lieu of a electricity consumer deposit every two years in August and that this process be initiated by immediate review.							
6.10.6.5	The increased electricity guarantee to be lodged with the Council in terms of paragraph 6.10.7.4 shall be the equivalent amount payable under the applicable electricity tariff which the consumer, in the Director of Finance's opinion, is likely to consume during three consecutive months and is based on the consumption over the previous 6 months.							
6.10.6.6	Any security deposited by a customer in cash or as a bank guarantee for a supply of electricity shall cover a supply of 3 months and shall be held as security to be offset against the customers account only in the event of termination of the supply agreement or default of the consumer.							
6.10.6.7	In the event that a customer has not claimed a refund of a cash deposit, after terminating the supply agreement or has for whatever reason ceased to receive a supply for one year, then on the expiry of one year such deposit shall be forfeited to the Council.							
6.11	ELECTRICITY CAPITAL CONTRIBUTION FEE							
6.11.1	Electricity Capital Contribution	per equivalent residential unit	R 12 663.00	R 13 566.00	7.1%	R 11 107.89	R 11 900.00	7.13%
6.11.2	Salt River / Eastford Special Levy: for new developments that would normally be supplied from the Salt River and Eastford Substations (as determined by the Town Electrotechnical Engineer)	per equivalent residential unit	R 5 756.33	R 6 165.75	7.1%	R 5 049.41	R 5 408.55	7.11%
6.11.3	Sedgefield OH Line Capital Contribution	Per Amp	R 114.00	R 131.00	14.9%	R 100.00	R 115.00	15.00%
6.12	LOAD CONTROL UNIT (GEYSER RELAY)							
	A fixed charge payable by consumers who elect to pay the fixed charge in order not to have a load control relay (geyser relay) installed on their premises. This tariff is not available to NEW CONSUMERS or CHANGE of CONSUMERS.	Per geyser per month	R 372.76	R 400.74	7.5%	R 326.98	R 351.53	7.51%

6.13	RELOCATION OF PREPAID METERS/RELAY BOARDS							
	A fixed charge payable by consumers (only applicable to the electrification projects) who elect to have the pre paid meter and ready boards installed in their informal dwelling and after formal dwelling is build requests to be relocated to formal house.	per erf	R 400.00	R 400.00	0.0%	R 350.88	R 350.88	0.00%
6.14	SHADING OF STREETLIGHTS							
6.14.1	Only streetlights on the same side of the road of applicant will be considered. At the discretion of the Electrotechnical Engineer.	per pole	R 530.00	R 567.72	7.1%	R 464.91	R 498.00	7.12%
6.15	TAMPERING WITH METERS							
6.15.1	A service charge for the first incident of a meter tampering will be billed to the customer who benefited from the tampering.	per incident	R 1 803.01	R 2 109.00	17.0%	R 1 581.59	R 1 850.00	16.97%
6.15.2	A service charge for the second incident of a meter tampering will be billed to the customer who benefited from the tampering.	per incident	R 2 672.05	R 3 135.00	17.3%	R 2 343.90	R 2 750.00	17.33%
6.15.3	A service charge for the third incident of a meter tampering will be billed to the customer who benefited from the tampering.	per incident	R 3 556.10	R 4 218.00	18.6%	R 3 119.39	R 3 700.00	18.61%
6.15.4	After the 4th tamper the meter shall be removed and a new connection fee shall be payable before supply is re-instated.							
6.16	SURCHARGE: INACCESSIBILITY TO ELECTRICITY METERS							
6.16.1	Customers will be notified in writing whenever a water meter has for whatever reason become inaccessible. Consumers will have 14 days from the date of notification to arrange for a reading to be taken.							
6.16.2	A surcharge will thereafter be levied if no response is received on or before the notice period has expired.	per incident	R 380.00	R 410.40	8.0%	R 333.33	R 360.00	8.00%
6.17	MISCELLANEOUS FEES							
6.17.1	Labour Rate		R 136.80	R 153.90	12.5%	R 120.00	R 135.00	12.50%
6.17.2	Knsyna Travelling Rate (± 40km)		R 193.80	R 193.80	0.0%	R 170.00	R 170.00	0.00%
6.17.3	Sedgefield Travelling Rate (± 10km)		R 57.00	R 62.70	10.0%	R 50.00	R 55.00	10.00%
6.17.4	Administration fee Percentage of Total Account Excluding VAT		15%	15%	0.0%			0.00%
6.18	ADDITIONAL INFO							
6.18.1	Quotations to be requested for the following services:- Additional Prepaid Meter Installations Service Connections for Sparrebosch, Thesen Island, Kanonkop, Estuary Heights, The Woods							

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

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7 SUNDRY SERVICES

7.1 HOUSING ADMINISTRATION CHARGES

7.1.1	In respect of tenants in housing letting schemes & housing loan borrowers	per month	R 25	R 27	R 29	R 31
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7.2 COPIES OF DOCUMENTS & PLANS

7.2.1 In respect of documents and plans which are not obtainable elsewhere and which may not be removed from the Municipal offices :-

7.2.1.1	Per copy smaller than 0.5sq m	per copy	R 86	R 92	R 99	R 107
7.2.1.2	Per copy exceeding 0.5sq m in size or part thereof	per copy	R 108	R 116	R 125	R 134
7.2.1.3	Per copy A4	per copy	R 11	R 12	R 13	R 14
7.2.1.4	Per copy A3	per copy	R 13	R 14	R 15	R 16
7.2.1.5	Duplicate Accounts	per copy	R 11	R 12	R 13	R 14
7.2.1.6	Size A0	per copy	R 167	R 180	R 193	R 207
7.2.1.7	Size A1	per copy	R 108	R 116	R 125	R 134

7.2.2 Photo Copies and Faxes

7.2.2.1	Photo Copy	per copy	R 1.20	R 1	R 1	R 1
7.2.2.2	Local Fax per Page	per page	R 13	R 14	R 15	R 16
7.2.2.3	National Fax per Page	per page	R 17	R 18	R 20	R 21
7.2.2.4	Fax Receiving	per page	R 11	R 12	R 13	R 14
7.2.2a	Tariffs are applicable to the public, and staff members (private correspondence).					

7.2.3 GIS Maps (Black & White)

7.2.3.1	A0	per copy	R 167	R 180	R 193	R 207
7.2.3.2	A1	per copy	R 108	R 116	R 125	R 134
7.2.3.3	A2	per copy	R 54	R 58	R 62	R 67
7.2.3.4	A3	per copy	R 27	R 29	R 31	R 34
7.2.3.5	A4	per copy	R 22	R 24	R 25	R 27

7.2.4 GIS Maps (Colour)

7.2.4.1	A0	per copy	R 323	R 347	R 373	R 401
7.2.4.2	A1	per copy	R 215	R 231	R 248	R 267
7.2.4.3	A2	per copy	R 108	R 116	R 125	R 134
7.2.4.4	A3	per copy	R 54	R 58	R 62	R 67
7.2.4.5	A4	per copy	R 38	R 41	R 44	R 47
7.2.4.6	Aerials	per cd	R 2 462	R 2 647	R 2 845	R 3 059

7.3 VACANT ERVEN

7.3.1	Plot Clearing (Overgrown erven)		Cost + 25%	Cost + 25%		
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7.4 ADMINISTRATION CHARGES

7.4.1	Jobbing and Works	per job	16%	17%	19%	19%
7.4.2	Departmental Charges - Rate Fund	per dept	8%	9%	9%	9%
7.4.3	Departmental Charges - Trading Services	per dept	11%	12%	12%	12%
7.4.4	Departmental Charges - Capital Works	per dept	5%	6%	6%	6%

7.5 VOTERS ROLL

7.5.1	Copy of voters roll	per ward	R 323	R 347	R 373	R 401
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7.6 POSTER DEPOSITS AND FEES

7.6.1	Refundable deposit to be lodged for erection of posters	Deposit	R 2 096	R 2 253	R 2 422	R 2 604
7.6.2	Refundable deposit to be lodged for erection of banners	Deposit	R 726	R 780	R 839	R 902
7.6.3	Posters and Banners to be removed within 24 hours after the event	Fine Per Event				
7.6.3.1	Release fee for posters		R 2 311	R 2 484	R 2 671	R 2 871
7.6.3.2	Release fee for banners		R 763	R 820	R 882	R 948

7.7 FURNISHING OF INFORMATION TO THE PUBLIC :-

7.7.1 The furnishing of information to the public or residents shall be subject to the provisions of the Access To Information Act.

7.7.1.1 Any person applying to the Council for information from any records kept by the Council, will be furnished with such information upon payment of the fees prescribed in the schedule here below, provided that if such person is the owner of a property in respect of which the information is applied for, he shall be exempted

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

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7 SUNDRY SERVICES

7.7.1.2 Schedule

7.7.1.2a	In respect of the search of any index to any account not in a service register	per property	R 91	R 98	R 105	R 105
7.7.1.2b	In respect of the search of any index to an account in a service (water, sanitation, sewerage, miscellaneous debts, etc.)	per property	R 65	R 70	R 75	R 75
7.7.1.2c	For the inspection of any deed, document or diagram or any details relating thereto	per property	R 108	R 116	R 125	R 125
7.7.1.2d	For the supply of any certificate of valuation or of the outstanding charges against the property, including Rates Clearance Certificate.					
(i)	Electronic Rates Clearances	per erf	R 181	R 194.00	R 209	R 209
(ii)	Manual Rates Clearances	per erf	R 301	R 324.00	R 348	R 348
7.7.1.2e	In respect of any search for information where a fee for such search has not been prescribed by 7.7.1.2a, 7.7.1.2b or 7.7.1.2c above :-					
7.7.1.2f	For every hour or portion thereof	per search	R 323	R 347	R 373	R 373
7.7.1.2g	Completion of questionnaires	per page	R 323	R 347	R 373	R 373
7.7.1.2h	Copy of Budget	Print- out	R 754	R 811	R 872	R 872

7.8 INFORMATION REGARDING REGISTERED PROPERTY OWNERS

7.8.1	Erf Numbers, Addresses etc. - Print-out	Per Page	R 1.15	R 1.24	R 1.33	R 1.43
	Subject to minimum	Minimum	R 323	R 347	R 373.27	R 401.26
7.8.2	Erf Numbers, Addresses etc. - Print-out					
7.8.2.1	Full report for all areas	Per Report	R 4 042	R 4 345	R 4 671.04	R 5 021.36
7.8.2.2	Report of Knysna only	Per Report	R 2 688	R 2 890	R 3 106.32	R 3 339.29
7.8.4	Erf Numbers, Addresses etc. - Electronic Media	Per disk	R 2 462	R 2 647	R 2 845.15	R 3 058.53
7.8.5	Sales Listings	per year	R 1 172	R 1 260	R 1 354.39	R 1 455.97

7.9 ELECTRICAL DATA LOGGER

7.9.1	Installation And Report Fee	per installation	R 769	R 827	R 889	R 955
7.9.2	Hire Fee	per day	R 511	R 549	R 591	R 635

7.10 SWIMMING POOL BACKWASH

7.10.1	Where it is approved or requested that an owner may connect the pool backwash to the sewer system [Cnl Resolution 24/8/2000-28]	p.a.	R 382	R 411	R 441	R 475
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7.11 INFORMAL TRADERS

7.11.1	Rental of informal trading store or part thereof	per month	R 116	R 116	R 116	R 116
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TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
8 DEPARTMENTAL						
8.1 DAMAGE TO MUNICIPAL INFRASTRUCTURE WITHIN THE ROAD RESERVE						
8.1.1	New Kerb laid - per kerb	per kerb	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
8.1.2	Repair to infrastructure	Per occasions	Cost + 15%	Cost + 15%	Cost + 15%	Cost + 15%
8.2 ADVERTISING : COUNCIL LICENCE & PERMIT FEES						
8.2.1	Application lease of land	Per Application	R 2 670	R 2 870	R 3 086	R 3 317
8.2.2	Other Signs - Permit Fee on annual renewal	pa	R 180	R 194	R 208	R 224
8.2.3	Way-leave application	pa	R 0	R 0	R 0	R 0
8.3 TAVERN APPLICATIONS : APPLICATION FEE [CM 29/07/1999]						
8.3.1	A non-refundable application fee	per application	R 2 200	R 2 365	R 2 542	R 2 733
8.3.2	Advertising costs (Actual cost)	per application	Cost	Cost	Cost	Cost
8.4 PROCUREMENT: FIXED BIDDING DOCUMENT FEE In terms of National Treasury's Supply Chain Management Guide for Accounting Officers, Authorities may decide to charge a non-refundable fee for bidding documents.						
8.4.1	Electronic copies of free of charge and available on the website					
8.4.2	Request For Quotation (RFQ) documents					
8.4.2.1	Internally prepared	per page	R 0.00	R 1.50	R 1.61	R 1.73
8.4.2.2	Documents supplied/prepared by consultants	per page	R 0.00	R 1.50	R 1.61	R 1.73
8.8.3	Competitive Bidding Process Documents	per application	R 445	Phased out	Phased out	Phased out
8.8.3.1	Internally prepared	per application	R 0	R 200	R 215	R 231
8.8.3.2	Documents supplied/prepared by consultants	per application	R 0	R 340	R 366	R 393
8.8.4	Copies of RFQ's and competitive bid documents	per page	R 0	R 1.50	R 1.61	R 1.73

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

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9 CEMETERY

9.1 BURIAL PLOT [INTERMENT FEES PAYABLE]

9.1.1 PURCHASE OF A PLOT FOR IMMEDIATE BURIAL

9.1.1.1	For the exclusive right of burial in any plot, the charges exclusive of interment fees, shall be :	per plot	R 382	R 411	R 441	R 475
9.1.1.2	Areas where no preparation has been done by the Municipality	per plot	R 382	R 411	R 441	R 475
9.1.1.3	Rheenendal & Karatara	per plot	R 382	R 411	R 441	R 475
9.1.1.4	Sedgefield New Cemetery	per plot	R 382	R 411	R 441	R 475

9.1.2 RESERVATION OF A PLOT

9.1.2.1	Reservation of a plot for the exclusive right of burial at some future date, exclusive of interment fees due to the shortage of available burial sites:	per plot	R 6 993	R 6 993	R 6 993	R 6 993
9.1.2.2	Rheenendal & Karatara	per plot	R 102	R 110	R 118	R 127
9.1.2.3	Sedgefield New Cemetery	per plot	R 613	R 659	R 708	R 762

9.2 INTERMENT FEES

9.2.1	The following interment fees shall be payable Monday - Saturday :-					
9.2.1.1	For adults (12 years of age and over)	per burial	R 613	R 659	R 708	R 762
9.2.1.2	For children (under 12 years of age)	per burial	R 495	R 532	R 572	R 615
9.2.1.3	Extra depth: For every additional 30 cm beyond 1.8m	per burial	R 253	R 272	R 292	R 314
9.2.2	Where preparation of the grave is done by a third party, excluding Knysna and Sedgefield Cemeteries	per burial	R 0	R 0	R 0	R 0

9.3 WALL OF REMEMBRANCE

9.3.1	Per application	Per Application	R 473	R 508	R 547	R 588
9.3.2	Garden of Remembrance	Per Application	R 242	R 260	R 280	R 301
9.3.3	Reservation Wall of Remembrance	Per Application	R 473	R 508	R 547	R 588
9.3.4	Reservation Garden of Remembrance	Per Application	R 231	R 248	R 267	R 287

9.4 INTERMENT SURCHARGE NON-RESIDENTS

9.4.1	In addition to the charges mentioned in 9.2 and due to the shortage of available burial sites the prescribed fee shall also be payable for the interment of non-residents of the :-					
9.4.1.1	Knysna Municipal Area	per burial	R 6 993	R 6 993	R 6 993	R 6 993

9.5 BURIAL REGISTER INFORMATION/SEARCH FEES

9.5.1	For a certified extract from the Burial Register	Per Application	R 190	R 204	R 220	R 236
9.5.2	For a certificate of transfer of use of grave plot	Per Application	R 190	R 204	R 220	R 236
9.5.3	For examining register	Per Application	R 190	R 204	R 220	R 236
9.5.4	For exchanging spaces (new title, altering registers, etc.)	Per Application	R 190	R 204	R 220	R 236

9.6 BURIAL REBATES

9.6.1	The following rebates for the underprivileged be applied, per applicant					
9.6.1.1	Income: R 0 - R 4,200	Per Application	100%	100%	100%	100%
	Income: R 4,201 and over	Per Application	Full cost payable	Full cost payable	Full cost payable	Full cost payable
9.6.1.2	Applications as in 9.6.1.1 above be accompanied by a sworn declaration of income of the immediate family.					

9.7 BURIAL EXHUMATIONS

9.7.1	Exhumations all plots	2 X Interment Fees (No rebates)	R 1 220	R 1 312	R 1 410	R 1 516
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TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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10 FIRE BRIGADE

10.1 ACCIDENTS AND CLEANUPS

10.1.1 In respect of the provision of fire brigade services to these situations the applicable fees are as follows :-

10.1.1.1	<u>Turn-Out Charges</u>	per callout	R 775	R 775	R 775	R 775
10.1.1.2	<u>Attendance Charge</u>					
10.1.1.2.1	For the first hour	per Fireman	R 445	R 467	R 491	R 515
10.1.1.2.2	For each additional hour	per Fireman	R 375	R 394	R 413	R 434
10.1.1.2.3	For each hour or part thereof for labourers employed at fire	per Labourer	R 290	R 290	R 290	R 290
10.1.1.3	<u>Fire Engine & Water Truck Charges (Km & Pumping Fees)</u>					
10.1.1.3.1	Per water truck	per delivery	R 700	R 700	R 700	R 700
10.1.1.3.2	For each vehicle used in combating the fire	per Km	R 50	R 50	R 50	R 50
10.1.1.4	<u>Equipment & Material Used at the fire</u>					
10.1.1.4.1	Fire Extinguishing Equipment :-					
10.1.1.4.2	Dry Powder & Co2					
10.1.1.4.3	Foam	per litre	R 980	R 980	R 980	R 980
10.1.1.4.4	Breathing Apparatus	per hour or part hour	R 280	R 280	R 280	R 280
10.1.1.4.5	Portable pump	per hour or part hour	R 330	R 330	R 330	R 330
10.1.1.4.6	Lighting plant	per hour or part hour	R 330	R 330	R 330	R 330
10.1.1.4.7	Cutting torch	per hour or part hour	R 445	R 445	R 445	R 445
10.1.1.4.8	A stand-by charge in respect of firemen	per hour or part hour	R 445	R 445	R 445	R 445
10.1.1.4.9	A stand-by charge in respect of fire engines	per hour or part hour	R 445	R 445	R 445	R 445
10.1.1.4.1	Emergency 10 Ton Rescue Equipment usage	per hour or part hour	R 445	R 445	R 445	R 445
10.1.1.4.1	For each service motorcar and other subsidiary vehicle	per vehicle	R 980	R 980	R 980	R 980
			R 215	R 215	R 215	R 215

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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11 HALLS

11.1 DEPOSIT: MAIN OR SIDE HALL

11.1.1 Deposit, set out below, is payable with booking and will be forfeited if premises damaged or not left clean :-

11.1.1.1 Rental	Per Occasion	NO VAT CHARGED R 400	R 420	R 441	R 463
11.1.1.2 Where alcohol is to be served or / and sold on the premises the deposit will be:	Per Occasion	R 1 505	R 1 580	R 1 659	R 1 742

11.1.2 The Municipal Manager may determine a lower deposit for deserving applications on merit.

11.1.3 All users of halls, except government, municipality and registered charities must pay the deposit.

11.2 DEPOSIT: MAIN OR SIDE HALL + KITCHEN [Incl Cutlery & Crockery]

11.2.1 Deposit as stipulated in the conditions on application

11.2.1.1 Rental	Per Occasion	NO VAT CHARGED R 400	R 420	R 441	R 463
Where alcohol is to be served or / and sold on the premises the deposit will be:		R 1 505	R 1 580	R 1 659	R 1 742

11.2.2 The Municipal Manager may determine a lower deposit for deserving applications on merit.

11.2.3 Where alcohol is to be served or / and sold on the premises the Deposit will be R1,000.00

11.3 RENTALS: HALL ONLY - General Public & Churches

11.3.1 Rental	Per Occasion	R 190	R 200	R 209	R 220
11.3.2 Registered charities doing charity work	Per Occasion	Free	Free	Free	Free
11.3.3 Non profit sporting organizations.	Per Year	R 585	R 614	R 645	R 677
11.3.4a Sport Trainers with a income of less than R1000 per month from using the hall	Per Month	R 230	R 242	R 254	R 266
11.3.4b Sport Trainers with a income of between R1001 - R2000 per month from using the hall	Per Month	R 430	R 452	R 474	R 498
11.3.4c Sport Trainers with a income of more than R2001 per month from using the hall	Per Occasion	R 230	R 242	R 254	R 266
11.3.5 Charges for Schools (Normal tariffs for fundraising organisations)	Per Occasion	Free	Free	Free	Free
11.3.6 Funerals and political parties	Per Hour	R 27	R 28	R 30	R 31
11.3.7 Rental of cutlery & crockery - Rheenendal Hall	Per Occasion	New	R 170	R 179	R 187
11.3.8 The Municipal Manager may determine a lower rental for deserving applications on merit.					

11.4 RENTALS: HALL ONLY - Amateur Sport For Children

11.4.1 Rental	Per Occasion	R 90	R 95	R 99	R 104
11.4.8 The Municipal Manager may determine a lower rental for deserving applications on merit.					

11.5 RENTALS: HALL ONLY - Amateur Sport, & Welfare Organisation's

11.5.1 Rental	Per Occasion	R 140	R 147	R 154	R 162
11.5.9 The Municipal Manager may determine a lower rental for deserving applications on merit.					

11.6 RENTALS: KITCHEN

11.6.1. Rental	Per Occasion	R 190	R 200	R 209	R 220
11.6.4 The Municipal Manager may determine a lower rental for deserving applications on merit.					

11.7 RENTAL: ACTIVITY ROOM

11.7.1 Rental	Per Occasion	R 130	R 137	R 143	R 150
11.7.2 Libraries					
Max 4 hours - morning, afternoon or evening)	Per Occasion	R 130	R 137	R 143	R 150
For more than 4 hours	Per Hour	R 45	R 47	R 50	R 52
Additional charge for use of Kitchen	Per Occasion	R 120	R 126	R 132	R 139
11.7.6 The Municipal Manager may determine a lower rental for deserving applications on merit.					

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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11 HALLS

11.8 BRENTON ON SEA TOWN HALL

11.8.1	Rental	Per Occasion	R 805	R 845	R 888	R 932
11.8.2	Deposit	Per Occasion	R 1 730	R 1 817	R 1 907	R 2 003
11.8.3	Registered charities doing charity work	Per Occasion	Free	Free	Free	Free
11.8.4	Non profit sporting organizations	Per Year	R 580	R 609	R 639	R 671
11.8.4 a	Sport Trainers with a income of less than R1000 per month from using the hall	Per Month	R 225	R 236	R 248	R 260
11.8.4 b	Sport Trainers with a income of between R1001 - R2000 per month from using the hall	Per Month	R 430	R 452	R 474	R 498
11.8.4 c	Sport Trainers with a income of more than R2001 per month from using the hall	Per Occasion	R 225	R 236	R 248	R 260
11.8.5	Charges for Schools (Normal tariffs for fundraising organizations)	Per Occasion	Free	Free	Free	Free
11.8.6	Funerals, political parties and religious organizations	Per Hour	R 25	R 26	R 28	R 29
11.8.7	The Municipal Manager may determine a lower rental for deserving applications on merit.					

11.9 BRENTON ON SEA SIDE HALL

11.9.1	Rental	Per Occasion	R 116	R 122	R 128	R 134
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11.10 BRENTON ON SEA SIDE HALL AND KITCHEN

11.10.1	Rental	Per Occasion	R 355	R 373	R 391	R 411
11.10.2	Use of kitchen	Per Occasion	R 170	R 179	R 187	R 197

11.11 LOERIEPARK CLUBHOUSE

11.11.1	Deposit	Per Occasion	R 400	R 420	R 441	R 463
11.11.2	Where alcohol is to be served and/or sold on the premises the deposit will be	Per Occasion	R 1 505	R 1 580	R 1 659	R 1 742
11.11.3	Rental	Per Occasion	R 200	R 210	R 221	R 232

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
12 LIBRARY						
12.1 MEMBERSHIP FEES						
12.1.1	Members from outside Municipal area	per member	R 215	R 226	R 237	R 249
12.1.2	Deposit : Members from outside Municipal area : Magazine	per member	R 86	R 90	R 95	R 100
	Deposit : Members from outside Municipal area : Book	per member	R 86	R 90	R 95	R 100
	For all books deemed at risk of being lost, or costing more to replace the full replacement value is requested as a deposit.		Replacement Value	Replacement Value	Replacement Value	Replacement Value
12.2 FINES						
12.2.1	For the first week (from the 2nd day - 1st day fine free). The fines accumulated by R0.10c per item per day after the first R0.80c	Per day	R 0.80	R 0.80	R 0.80	R 0.80
12.2.3	For second week (per item - an additional R0.50c per day up to a maximum of R10.00. System bills up to a maximum of ten rands (R10,00) after which the book will be deemed lost. The full price of the book is payable.	Per day	R 0.50	R 0.50	R 0.50	R 0.50
			Purchase price of item	Purchase price of item	Purchase price of item	Purchase price of item
12.3 RENTAL: ACTIVITY ROOM						
	<u>Activity Hall:</u>					
	Kitchen	Per occasion	R 118	R 124	R 130	R 137
	Hall	Per occasion	R 140	R 147	R 154	R 162
	Political parties meetings - week days excluding Friday evening (no deposit charged)	Per Hour	R 27	R 28	R 30	R 31
12.4 PRINTING						
	Printing from public computers	Per page	R 1.00	R 1.00	R 1.00	R 1.00
12.5 INTERNET USAGE						
	Usage of internet after 1st half hour	each 30 min	R 10.00	R 10	R 10	R 10
12.5 INTER-LIBRARY LOANS						
	Postage of items borrowed from another library - based on average cost	Postage per item	R 0.00	R 25	R 26	R 28

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
13 TRAFFIC SERVICES						
13.1 <u>SERVING OF SUMMONSES</u>						
13.1.1	Summonses served personally or not	NO VAT CHARGED per document served	R 75	R 75	R 75	R 75
13.2 <u>ABANDONED TROLLEYS ON ROAD</u>						
13.2.1	Removal of supermarket trolleys from where it is found to a place of storage	per trolley	R 105	R 105	R 105	R 105
13.2.2	Storage of Trolleys	per trolley, per day	R 22	R 22	R 22	R 22
13.3 <u>REMOVAL OF VEHICLES</u>						
13.3.1	Tow-in fee		Cost +25%	Cost +25%	Cost +25%	Cost +25%
13.3.4	Storage of Vehicle	per day or part	R 170	R 179	R 187	R 197
13.3.5	Vehicle Escort Fee	per Km	R 55	R 58	R 61	R 64
13.4 <u>REMOVAL OF ANIMALS (Pound Fees)</u>						
13.4.1	Transport Fee		Cost +25%	Cost +25%	Cost +25%	Cost +25%
13.4.2	Pound fees	per animal / day	R 195	R 205	R 215	R 226
13.4.3	Transporting Costs	per animal per Km	R 30	R 32	R 33	R 35
13.4	Administration fee	per animal	R 290	R 305	R 320	R 336

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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14 CARAVAN & CAMPING SITES

14.1 High Season per day [DECEMBER, JANUARY AND SCHOOL HOLIDAYS]

14.1.1	Site fee for 2	per day	R 355	R 355	R 355	R 355
14.1.5	Pensioners	per day	R 177	R 177	R 177	R 177
14.1.2	Per extra person (Adult)	per day	R 106	R 106	R 106	R 106
14.1.3	Per extra person (Child)	per day	R 59	R 59	R 59	R 59
14.1.4	Extra cars, boats or trailers	per day	R 35	R 35	R 35	R 35
14.1.6	Caravan Groups (Adults)	per person	R 54	R 54	R 54	R 54
14.1.7	Caravan Groups (Children)	per person	R 11	R 11	R 11	R 11
14.1.8	Day Tariff (Use of braai facilities)	per person	R 54	R 54	R 54	R 54
Booking to be paid in full 21 days before arrival.						
Arrival time is strictly between 13:00 – 17:00 and departure time no later than 10:00am.						
Only ONE car allowed per site.						

14.2 Low Season per day [REMAINDER OF THE YEAR]

14.2.1	Site fee for 2	per day	R 196	R 196	R 196	R 196
14.2.2	Per extra person (Adult)	per day	R 78	R 78	R 78	R 78
14.2.3	Per extra person (Child)	per day	R 42	R 42	R 42	R 42
14.2.4	Electricity	phased out	R 0	R 0	R 0	R 0
14.2.5	Extra cars, boats or trailers	per day	R 35	R 35	R 35	R 35
14.2.6	Pensioners	per day	R 118	R 118	R 118	R 118
14.2.7	Caravan Groups (Adults)	per person	R 32	R 32	R 32	R 32
Booking to be paid in full 21 days before arrival.						
Arrival time is strictly between 13:00 – 17:00 and departure time no later than 10:00am.						
Only ONE car allowed per site.						

14.3 Visitors

R 26	R 26	R 26	R 26
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14.4 Deposits

50% Deposit on confirmation of booking. Pls fax confirmation to 044 3026554
Deposits are not refundable on cancellation.

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
15 PLANNING & DEVELOPMENT						
	Hoarding Rental of Parking, Roadways or Pavements, subject to below: Any area less than 10m2 and / or portion of a month shall be charged fully as a whole.	per 10m2 per	R 217	R 234	R 251	R 270
15.3.3 MAINTENANCE OF BUILDING SITE	Cleaning and clearing of Building Site		Cost + 25%	Cost + 25%	Cost + 25%	Cost + 25%
15.4 TOWN PLANNING						
15.4.1 LAND USE PLANNING ORDINANCE, 1985 (Ordinance 15/1985)						
15.4.1.1 Consent Application	Application for consent use (Second dwelling Unit, Place of Entertainment, Professional Use, etc)		R 1 739	R 1 869	R 2 009	R 2 160
15.4.1.2 Application for departure from zoning scheme regulations of Fences and Fencing By-Law	In terms of S15 (1)a (Zoning Condition Departure) pertaining to:					
	(i) Erf smaller than 250m ²		R 0	R 0	R 0	R 0
	(ii) Erf between 250m ² and 500m ²		R 658	R 708	R 761	R 818
	(iii) Erf greater than 500m ²		R 1 316	R 1 414	R 1 520	R 1 634
15.4.1.3 Temporary use Departure (in terms of S15(1)(b) pertaining to:						
	(i) Houseshops, Mobiles, etc		R 174	R 187	R 201	R 217
	(ii) All other users (including taverns)		R 2 732	R 2 937	R 3 157	R 3 394
15.4.1.4 Subdivision Application	To a maximum of [equivalent to 12 portions		R 4 941	R 5 312	R 5 710	R 6 139
15.4.1.5 Application for Contravention Levy	Application for contravention levy		The amount that would have been payable for the relevant application in the absence of a contravention			
15.4.1.6 Rezoning Application			R 0	R 0	R 0	R 0
	(i) To a residential zone: less than 2 000m ²		R 1 676	R 1 801	R 1 937	R 2 082
	(ii) To a residential zone: 2 000m ² to 10 000m ²		R 3 042	R 3 270	R 3 515	R 3 779
	(iii) To a residential zone: more than 10 000m ²		R 5 463	R 5 873	R 6 313	R 6 787
	(iv) To a commercial zone: less than 2 000m ²		R 2 483	R 2 669	R 2 870	R 3 085
	(v) To a commercial zone: 2 000m ² to 10 000m ²		R 4 967	R 5 339	R 5 739	R 6 170
	(vi) To a commercial zone: more than 10 000m ²		R 7 450	R 8 008	R 8 609	R 9 255
	(vii) To any other land use		R 2 483	R 2 669	R 2 870	R 3 085
15.4.1.7 Amendment of Condition of Approval	(S43 (2) of Ord. 15 of 1985)		R 1 366	R 1 469	R 1 579	R 1 697
15.4.1.8 Approval of Architectural Design Manual, Homeowners Constitution, Environmental Management Plan, or Site Development Plan.			R 1 366	R 1 469	R 1 579	R 1 697
15.4.1.9 Application in terms of the Removal of restrictions Act (No. 84 of 1967)			R 1 925	R 2 069	R 2 224	R 2 391
15.4.1.10 Cancellation / Amendment of general plan			R 1 242	R 1 335	R 1 435	R 1 543
15.4.1.11 Copies						
	Search Fees	per erf	R 25	R 27	R 29	R 31
	Knysna Town Planning Map Book	per book	R 621	R 667	R 717	R 771
	Diagrams	per diagram	R 25	R 27	R 29	R 31
	Town Planning / Scheme regulations	per set	R 621	R 667	R 717	R 771
	Zoning certificate	per certificate	R 186	R 200	R 215	R 231
15.4.1.12 Applications for Permits in terms of (OSCAER) Outeniqua Sensitive Coastal Area Extension Regulations R1528 of 27 November 1998			R 1 366	R 1 469	R 1 579	R 1 697
15.5 OUTDOOR ADVERTISING AND SIGNAGE						
15.5.1 Deposit			NO VAT CHARGED			
15.5.1.1 Refundable deposit - Charitable Institutions			R 0	R 0	R 0	R 0
15.5.1.2 Refundable deposit - Commercial Enterprises			R 0	R 0	R 0	R 0
15.5.2 Application Fees			VAT Incl			
15.5.2.1	Per square metre or part thereof for the first square metre		R 385	R 414	R 445	R 479
15.5.2.2	Per square metre or part thereof up to 8 square metres (1-8 square metre)		R 447	R 481	R 517	R 556
15.5.2.3	Per square metre or part thereof there above (more than 8 square metre)		R 1 366	R 1 469	R 1 579	R 1 697
15.5.2.4	Extension of rezoning/subdivision/departure approval	new	R 1 271	R 1 366	R 1 468	R 1 578
15.5.3 Variances			VAT Incl			
15.5.3.1	Prescribed variation application fee		R 1 030	R 1 107	R 1 190	R 1 280
15.5.3.2	Per square metre or part thereof for the first square metre		R 1 366	R 1 469	R 1 579	R 1 697
15.5.3.3	Per square metre or part thereof up to 8 square metres (1-8 square metre)		R 4 532	R 4 872	R 5 237	R 5 630
15.5.3.4	Per square metre or part thereof there above (more than 8 square metre)					
15.5.4 Penalties			NO VAT CHARGED			

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

Item	Details	Frequency/ Measure/ Occasion	Tariff 2013/14 (14% VAT Incl)	Tariff 2014/15 (14% VAT Incl)	Tariff 2015/16 (14% VAT Incl)	Tariff 2016/17 (14% VAT Incl)
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15 | PLANNING & DEVELOPMENT

15.5.4.1 Fines	R 13 658	R 14 682	R 15 783	R 16 967
15.5.4.2 Every day such offence continues after written notice has been issued	R 683	R 734	R 789	R 848
15.5.4.3 For second and subsequent offences, a maximum fine	R 27 316	R 29 364	R 31 567	R 33 934
15.5.4.4 To be revised by the Chief Magistrate from time to time				
15.5.5 Levy	Per business per month	R 0	R 100.00	R 108
				R 116

TARIFFS, CHARGES AND FEES FOR 2014 / 2015

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16 SPORTS FIELDS

16.1 LOERIEPARK (Soccer, Rugby and Cricket)

16.1.1 Deposit	Per game	R 0	R 200	R 210	R 221
16.1.2 Per game	Per occasion	R 0	R 200	R 210	R 221

16.2 HORNLEE

16.2.1 Deposit	Per game	R 0	R 200	R 210	R 221
16.2.2 Per game	Per occasion	R 0	R 200	R 210	R 221

16.3 SMUTSVILLE

16.3.1 Deposit	Per game	R 0	R 200	R 210	R 221
16.3.2 Per game	Per occasion	R 0	R 200	R 210	R 221

5.00%

Knysna Municipality



Annexure 5 Policies 2014/2015

Medium Term Revenue and Expenditure Framework (MTREF)



KNYSNA MUNICIPALITY



BUDGET POLICY

Effective date: 1 July 2014

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1. DEFINITIONS

"Accounting Officer" means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of a municipality in terms of section 60 of the MFMA;

"Allocation" means

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to the municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to the municipality in terms of a provincial budget; or
- (d) any other allocation of money to the municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

"Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

"Approved budget," means an annual budget

- (a) approved by a municipal council in terms of section 24 of the MFMA, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

"Budget-related Policy" means a policy of the municipality affecting or affected by the annual budget of the municipality, including:

- (a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;
- (b) the rates policy which the municipality must adopt in terms of section 3 of the municipal property rates Act;
- (c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;
- (d) the cash management and investment policy which the municipality must adopt in terms of section 13(2) of the Act;
- (e) a borrowing policy which must comply with Chapter 6 of the Act;

- (f) *a funding and reserves policy;*
- (g) *a policy related to the long-term financial plan;*
- (h) *the supply chain management policy which the municipality is required to adopt in terms of section 111 of the Act;*
- (i) *any policies dealing with the management and disposal of assets;*
- (j) *any policies dealing with infrastructure investment and capital projects, including –*
 - (i) *the policy governing the planning and approval of capital projects; and*
 - (ii) *the policy on developer contributions for property developments;*
- (k) *the indigents policy of the municipality;*
- (l) *any policies related to the provision of free basic services;*
- (m) *any policies related to budget implementation and monitoring including –*
 - (i) *a policy dealing with the shifting of funds within votes;*
 - (ii) *a policy dealing with unforeseen and unavoidable expenditure; and*
 - (iii) *policies dealing with management and oversight;*
- (n) *any policies related to the managing electricity and water including –*
 - (i) *a policy related to the management of losses; and*
 - (ii) *a policy to promote conservation and efficiency;*
- (o) *any policies related to personnel including policies on overtime, vacancies and temporary staff;*
- (p) *any policies dealing with municipal entities, including –*
 - (i) *the service delivery agreement; and*
 - (ii) *the dividend preference of the municipality; and*
- (q) *any other budget-related or financial management policies of the municipality.*

"Budget transfer" means the transfer of an approved budget allocation from one operating or capital line item to another within a vote, with the approval of the relevant senior manager;

"Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

"Capital Budget" means the approved budget for capital items in a given fiscal period. Capital items are assets with a life expectancy of more than one financial year such as property, plant and equipment. The cost of which is normally written off over a number of fiscal periods;

"Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

"Council" means the municipal council of this municipality referred to in section 18 of the Municipal Structures Act;

"Councillor" means a member of council;

"Creditor", means a person to whom money is owed by the municipality;

"Current year" means the financial year, which has already commenced, but not yet ended;

"Delegation" means the power to perform a function or duty which is given to office bearer, councillor or staff members either in terms of Sect 59 of the MSA or Sect 79 of the MFMA;

"Executive Mayor" means the councillor elected as the executive mayor of the municipality in terms of section 55 of the Municipal Structures Act;

"Generally recognised accounting practice" means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board;

"Financial recovery plan" means a plan prepared in terms of section 141 of the MFMA;

"Financial statements", means statements consisting of at least –

- (a) statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

"Financial year" means a twelve months period commencing on 1st July and ending on 30th June each year;

"Financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which the municipality undertakes to repay a long-term debt over a period of time;

"Fruitless and wasteful expenditure" means expenditure that was made in vain and would have been avoided had reasonable care been exercised;

"Investment" in relation to funds of the municipality, means –

- (a) the placing on deposit of funds of the municipality with a financial institution; or
- (b) the acquisition of assets with funds of the municipality not immediately required, with the primary aim of preserving those funds;

"Irregular expenditure" means –

- (a) expenditure incurred by the municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the MFMA Act, and which has not been condoned in terms of section 170 of the MFMA;
- (b) expenditure incurred by the municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of that Act;
- (c) expenditure incurred by the municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998); or
- (d) expenditure incurred by the municipality or municipal entity in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of the municipality or entity or any of the municipality's by-laws giving effect to such policy, and which has not been condoned in terms of such policy or by-law, but excludes expenditure by the municipality which falls within the definition of "unauthorised expenditure";

"Lender" means a person who provides debt finance to the municipality;

"Local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

"Long-term debt" means debt repayable over a period exceeding one year;

"Municipal council" or "council" means the council of the municipality referred to in section 18 of the Municipal Structures Act;

"Municipal debt instrument" means any note, bond, debenture or other evidence of indebtedness issued by the municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

"Municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"Municipality" means –

- (a) when referred to as a corporate body, means the municipality as described in section 2 of the Municipal Systems Act; or
- (b) when referred to as a geographic area, means the municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

"Municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

"Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);

"Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

"Municipal tariff" means a tariff for services which the municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

"Municipal tax" means property rates or other taxes, levies or duties that the municipality may impose;

"National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

"Official" means –

- (a) an employee of the municipality or municipal entity;
- (b) a person seconded to the municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or
- (c) a person contracted by the municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

"Overspending"

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

"Past financial year" means the financial year preceding the current year;

"Quarter" means any of the following periods in a financial year –

- (a) 1 July to 30 September refer to as the 1st quarter;
- (b) 1 October to 31 December refer to as the 2nd quarter;
- (c) 1 January to 31 March refer to as the 3rd quarter; or
- (d) 1 April to 30 June refer to as the 4th quarter;

"Ring Fenced" means an exclusive combination of line items grouped for specific purposes for instance salaries and wages. Annexure "B" provides a current item structure within ring fenced groups;

"Service delivery and budget implementation plan" means a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services and which indicate –

- (a) projections for each month of:
 - (i) revenue to be collected, by source; and
 - (ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the executive mayor in terms of section 54(l) (c) of the MFMA;

"Short-term debt" means debt repayable over a period not exceeding one year;

"Unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes –

(a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of "allocation" otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

"Virement" means the process of transferring an approved budget allocation from one vote to another, with the approval of the Municipal Manager. To enable senior managers to amend budgets in the light of experience or to reflect anticipated changes;

"Vote" means one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purposes of the department or functional area concerned. Annexure "A" provides the current Vote structure as well as the assigned senior manager;

"Vote holder" means the director and/or senior manager to which the vote is assigned.



2. ABBREVIATIONS

CFO – Chief Financial Officer

CM – Council Minute

IDP – Integrated Development Plan

MFMA – Municipal Finance Management Act, Act No. 56 of 2003

MSA – Municipal Systems Act, Act No.32 of 2000

MTREF – Medium Term Revenue and Expenditure Framework

SDBIP - Service Delivery and Budget Implementation Plan

3. INTRODUCTION

In terms of the Municipal Finance Management Act, No. 56 of 2003, Chapter 4 on Municipal Budgets, the Council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to Section 16(2) of the MFMA the executive mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year.

This policy must be read, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this is the formulation of a municipal budget that must take into account the government's macro-economic and fiscal policy fundamentals.

It is imperative that the budget process is as consultative and inclusive as possible.

4. OBJECTIVES

The objectives of this budget policy is to set out a framework to deal with –

- (a) The preparation of the MTREF budget;*
- (b) The shifting or virement of funds and budget allocations;*
- (c) The introduction of any adjustment budgets;*
- (d) Unforeseen and unavoidable expenditure;*

- (e) *Irregular expenditure;*
- (f) *Fruitless and wasteful expenditure; and*
- (g) *To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes.*

5. BUDGETING PRINCIPLES

5.1 *The Municipality shall not budget for a cash deficit and should ensure that revenue projections in the budget are realistic taking into account actual collection levels.¹*

5.2 *Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.*

5.3 *The Municipality shall prepare a three-year budget (MTREF budget) and Council shall approve said budget.*

5.4 *The MTREF budget must at all times be within the framework of the approved Municipal Integrated Development Plan.*

5.5 Capital budget:

5.5.1 *Only expenditure that meets the definition of a capital budget as per section 1 of this policy shall be included in the capital budget.*

5.5.2 *The capital budget shall distinguish between replacement and new assets.*

5.5.3 *The envisaged sources of funding for the capital budget must be properly considered. Council must be satisfied that this funding is available and has not been committed for other purposes.*

5.5.4 *Before approving a capital project, Council **must** consider:*

- (a) *the projected cost of the project over all the ensuing financial years until the project becomes operational; and*
- (b) *future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on the operating budget.*

5.5.5 *Before approving the capital budget, the Council **shall** consider:*

- (a) *the impact on the present and future operating budgets of the municipality in relation to finance charges to be incurred on external loans;*
- (b) *depreciation of fixed assets;*

¹Refer to the approved Funding and Reserves Policy

(c) *maintenance of fixed assets, and*

(d) *any other ordinary operational expenses associated with any item on such capital budget.*

5.5.6 *The capital expenditure shall be funded from the following sources:*

(a) *Revenue or Surplus (Cash Resources)*

Any financing activity from this source must be included in the cash budget to raise sufficient cash for the expenditure. In order for the commencement of expenditure on an item financed from this source the full amount of physical cash must be ring fenced or set aside from normal operating funds.

(b) *New borrowings (External loans)*

External loans can only be raised if they are linked to the financing of an asset. A capital item to be financed from an external loan can only be included in the budget if the loan has been secured or if it can reasonably be assumed as being secured. The loan redemption period should not exceed the estimated life span of the asset. Interest payable on external loans shall be included as a cost in the operating budget. Finance charges relating to such loans shall be charged to or apportioned only between the departments or votes to which the projects relate.

(c) *Capital Replacement Reserve (CRR)*

Council shall establish a CRR for the purpose of financing capital projects and the acquisition of assets. The following sources of funds may be used to establish this reserve:

- unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes;*
- interest on the investments of the CRR, appropriated in terms of the investments policy;*
- additional amounts appropriated as contributions in each annual or adjustments budget;*
- interest earned on investments of unutilised grants;*
- VAT claimed back on grants and subsidies; and*
- proceeds from the sale of assets.*

Before any asset can be financed from the CRR the physical cash must be available within the reserve. If there is insufficient cash available to fund the CRR reserve then the reserve must be adjusted to equal the available cash. Transfers to the CRR must be budgeted for in the cash budget.

(d) *Transfer and Grants / Public Donations and Contributions*

Non capital expenditure funded from grants must be budgeted for as part of the revenue budget.

- *Expenditure must be reimbursed from the funding creditor and recognised in the operating budget as transfers recognised – operational and must be budgeted for as such.*

Capital expenditure must be budgeted for in the capital budget.

- *Expenditure must be reimbursed from the funding creditor and recognised in the operating budget as transfers recognised – capital and must be budgeted for as such.*
- *Budgeted grant funding does not need to be cash backed but cash should be secured before spending can take place.*

All unutilized grants received must be ring fenced and cash backed from available cash/cash equivalents and/or investments.

5.6 Operational budget:

The Municipality shall budget in each annual and adjustments budget for the contribution to²:

- (a) provision for accrued leave entitlements equal to 100% of the accrued leave;*
- (b) continued employee benefits as at 30 June of each financial year;*
- (c) provision for the impairment of debtors taking into account prior year, current year improvements and future improvement in debt collection percentages;*
- (d) provision for the obsolescence and deterioration of stock in accordance with its stores management policy;*
- (e) Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate;*
- (f) A percentage of the operating budget component of each annual and adjustments budget shall be set aside for maintenance as determined in the Funding and Reserves Policy.*

When considering the draft annual budget, Council shall consider the impact, which the proposed increases in rates and service tariffs will have on the municipal accounts of households.

The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

The operating budget shall reflect the impact of the capital component on:

- *Depreciation charges;*
- *Repairs and maintenance expenses;*
- *Interest payable on external borrowings; and*

²*See approved Funding and Reserves Policy where applicable*

- other operating expenses.

The Chief Financial Officer shall ensure that the cost of indigent relief is separately reflected in the appropriate votes as income foregone and/or as per MFMA Circular requirements issued by National Treasury from time-to-time.

6. BUDGET PREPARATION PROCESS

6.1 Formulation of the budget

The Accounting Officer with the assistance of the Chief Financial Officer, Manager (Budget) and the Manager (IDP) shall prepare a draft IDP & Budget process plan with timetables for the municipality including municipal entities for the ensuing financial year.

The Executive Mayor shall table the IDP& Budget process plan to Council not later than 31 August of each year for approval.

The IDP and Budget process plan shall indicate the key deadlines for the review of the IDP as well as the preparation of the MTREF budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act, Municipal Budget and Reporting regulations, the District Municipality IDP Framework as well as the guidelines set by National Treasury.

The Executive Mayor shall convene a strategic workshop in September/October with the mayoral committee and senior managers in order to determine the IDP & Budget priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.

The Executive Mayor shall table the draft IDP and MTREF budget to Council by 31 March of each year together with the draft resolutions and budget related policies.

The Chief Financial Officer and senior managers undertake the technical preparation of the budget. The budget must be in the format prescribed by the MFMA: Municipal Budget and Reporting Regulations.

The budget must contain the information related to the two financial years following the financial year to which the budget relates, as well as the estimated figures for the current year and the three prior year actual outcomes.

6.2 Public participation process

Immediately after the draft annual budget has been tabled, the Municipality must convene public meetings on the draft budget and invite the public, stakeholder organisations, to make representation at these meetings and to submit comments in response to the draft budget.

6.3 Approval of the budget

Council shall consider the Annual Budget for approval not later than 31 May for the ensuing financial year. The Council resolution, must contain the budget policies and performance measures to be adopted.

Should the Council fail to approve the budget before the start of the budget year, the Executive Mayor must inform the MEC for Finance that the budget has not been approved.

The budget tabled to Council for approval shall include the following supporting documents as required by the MFMA:

- (a) draft resolutions approving the budget;*
- (b) levying property rates, other taxes and tariffs for the financial year concerned;*
- (c) measurable performance objectives for each budget vote, taking into account the municipality's IDP;*
- (d) the projected cash flows for the financial year by revenue sources and expenditure votes;*
- (e) any proposed amendments to the IDP;*
- (f) any proposed amendments to the budget-related policies;*
- (g) the cost to the municipality of the salaries, allowances and other benefits of its political office bearers and other councillors, the Accounting Officer, the Chief Financial Officer, and other senior managers;*
- (h) particulars of any proposed allocations or grants to other municipalities, municipal entities, external mechanisms assisting the municipality in service delivery, other organs of state, and organisations such as Non-Governmental Organisations, welfare institutions and so on;*
- (i) particulars of the municipality's investments; and*
- (j) various information in regard to municipal entities under the shared or sole control of the municipality*

6.4 Publication of the budget

6.4.1 Within 10 working days after the draft annual budget has been tabled, the Accounting Officer must ensure that the draft budget and other budget-related documentation are posted onto the municipal website so that it is accessible to the public.

6.4.2 The Chief Financial Officer must within 10 working days after the draft annual budget is tabled:

- (a) submit the tabled draft budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website; and
- (b) ensure that a newspaper advertisement is placed that the draft budget is available at the Municipal offices and available for comments.

6.4.3 Once Council has approved the budget the Chief Financial Officer must within 10 working days:

- (a) submit the approved budget in both printed and electronic formats to the National Treasury, the Provincial Treasury as well as post it on the municipal website; and

6.5 Service Delivery and Budget Implementation Plan (SDBIP)

The Executive Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

The SDBIP shall include the following components:

- (a) Monthly projections of revenue to be collected for each source;
- (b) Monthly projections of expenditure (operating and capital) and revenue for each vote;
- (c) Quarterly projections of service delivery targets and performance indicators for each vote;
- (d) Ward information for expenditure and service delivery; and
- (e) Detailed capital works plan broken down by ward over three years

7. FUNDING OF BUDGET

The budget must be funded in terms of the Council's approved Funding and Reserves Policy.

8. UNSPENT FUNDS AND ROLLOVER OF BUDGET

The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, excluding in the following instances:

- (a) Funds relating to capital expenditure; or
- (b) Unspent grants (if the conditions for such grant funding allows that).

Conditions of the grant funding shall be taken into account in applying for such rollover of funds.

No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made at least 30 days (31 May each year) prior to the end of that particular financial year.

No unspent operating budget shall be rolled over to the next budget year.

Any application for a rollover of capital funds must be forwarded to the Budget Office by the latest 15th of July of each year. Only these applications will be considered for inclusion in an adjustment budget. The adoption by Council will take place not later than 25th August.

9. BUDGET TRANSFERS AND VIREMENTS

9.1 Objective

The objective of this section is to allow limited flexibility in the use of budgeted funds to enable management to act on occasions such as disasters, unforeseen expenditure or savings as they arise to accelerate service delivery in a financially responsible manner.

9.2 Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within an individual vote is identified at the earliest possible opportunity.

The Accounting Officer has a statutory duty to ensure an effective system of financial control, specifically to ensure compliance with Section 15 of the MFMA, is in place. The budget transfer and virement process is one of these controls.

It is the responsibility of each senior manager and/or head of a department/activity to which funds are allotted, to plan and conduct assigned operations so as not to expend more funds than budgeted.

In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78.

9.3 Virement Restrictions³

9.3.1 No virement may take place between votes without consent of both vote holders and the approval of the Municipal Manager.

9.3.2 Accumulated virements may not exceed a maximum annual limit of 5 per cent per vote from which the virement originates.

9.3.3 A virement may not create new policy, significantly vary current policy, or alter the approved outcomes / outputs as approved in the IDP for the current or subsequent years.

9.3.4 No virements may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year.

³Between Votes, i.e. Directorates

- 9.3.5 *An approved virement does not give expenditure authority and all expenditure resulting from approved virements are still subject to the supply chain management policy of Council as periodically reviewed.*
- 9.3.6 *Virements may not be made between Expenditure and Income.*
- 9.3.7 *No virements are allowed in terms of income line items.*
- 9.3.8 *No virements are allowed between the capital and operating budget.*
- 9.3.9 *Virements must not result in new projects on the capital budget.*
- 9.3.10 *Virements of conditional grant funds to a purpose outside than specified in the relevant conditional grant framework are not permitted.*
- 9.3.11 *Any virements from a repairs and maintenance vote will be reported to the finance committee at its next meeting*

9.4 Budget Transfer Restrictions

- 9.4.1 *No funds may be transferred between line items without authorisation of the vote holder.*
- 9.4.2 *Accumulated transfers may not exceed a maximum limit of 20 per cent per vote prior to the midyear adjustments budget and 15 per cent per vote after the midyear adjustments budget.*
- 9.4.3 *No funds may be transferred from or to items as indicated in Annexure B.*
- 9.4.4 *Funds may only be transferred from or to the ring fenced group of employee related costs if approved by the CFO.*
- 9.4.5 *Transfers in capital budget allocations are only permitted within specified action plans and not across funding sources and must in addition have comparable asset lifespan classifications.*
- 9.4.6 *No transfers are permitted in the first or the final month of the financial year without the express agreement of the CFO.*
- 9.4.7 *An approved transfer does not give expenditure authority and all expenditure resulting from approved transfers must still be subject to the supply chain management policy of Council as periodically reviewed.*
- 9.4.8 *Transfers may not be made between Expenditure and Income.*
- 9.4.9 *No transfers are allowed in terms of income line items.*
- 9.4.10 *No transfers are allowed between the capital and operating budget.*
- 9.4.11 *Transfers should not result in new projects on the capital budget.*
- 9.4.12 *Transfers of conditional grant funds to a purpose outside than specified in the relevant conditional grant framework are not permitted.*

9.5 Virement and Budget Transfer Procedure

- 9.5.1 *All virement/transfer requests must be completed on the appropriate documentation and forwarded to the official responsible to process the virement/transfer.*
- 9.5.2 *All virements must be signed by the initiator, both vote holders and the Chief Financial Officer.*
- 9.5.3 *All budget transfers must be signed by the initiator, the authorised vote holder and the Manager (Budgets).*
- 9.5.4 *Budget transfers in excess of R 200,000 require the approval of the Chief Financial Officer.*
- 9.5.5 *All documentation must be compiled and approved in line with the delegations as per section 79 of the MFMA before any expenditure can be committed or incurred.*

10. ADJUSTMENT BUDGETS

Council may revise its annual budget by means of an adjustments budget in terms of section 28 of the MFMA and according to the timelines of the Municipal Budget and Reporting regulations section 23.

Section 28 (2) of the MFMA determines when an adjustment must be done and when it may be prepared.

The Accounting Officer must promptly prepare an adjustment budget if a material under-collection of revenues arises or is apparent.

The Accounting Officer shall prepare an adjustment budget and appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council.

The Council may in an adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Executive Mayor.

“(2) An adjustments budget—

- (a) **must** adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
- (b) **may** appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*
- (c) **may**, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
- (d) **may** authorise the utilisation of projected savings in one vote toward spending under another vote;*

- (e) *may* authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) *may* correct any errors in the annual budget; and
- (g) *may* provide for any other expenditure within a prescribed framework.”

The CFO shall ensure that an adjustments budget:

- i. *Is prepared in accordance with the MFMA: Municipal Budget and Reporting Regulations;*
- ii. *Reflects the budget priorities determined by Council;*
- iii. *Complies with all budget-related policies; and*
- iv. *Shall make recommendations to the Executive Mayor on the revision of the IDP and the budget-related policies where these are needed.*

An adjustments budget must contain all of the following:

- i. *an explanation of how the adjustments affect the approved annual budget;*
- ii. *appropriate motivations for material adjustments; and*
- iii. *an explanation of the impact of any increased spending on the current and future annual budgets.*

Any un-appropriated surplus from previous financial years, even if fully cash-backed, shall not be used to balance an adjustments budget, but shall be appropriated to the municipality’s capital replacement reserve if cash-backed.

Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan compiled in terms of section 141 of the MFMA.

Unauthorised expenses may be authorised in an adjustments budget.

11. UNFORESEEN AND UNAVOIDABLE EXPENDITURE

Before the Executive Mayor considers any authorization of unforeseeable and unavoidable expenditure in terms of Section 29 of the MFMA, the Accounting Officer will ensure that a report is prepared consisting of all the relevant information in order for the Executive Mayor to make an informed decision. This report will be prepared in the prescribed format attached as Annexure C.

The Executive Mayor may authorise such expenses in an emergency or other exceptional circumstances in terms of Section 29 of the MFMA only if:

- (a) the expenditure could not have been foreseen at the time the annual budget of the municipality was passed⁴; **AND**
- (b) the delay that will be caused pending approval of an adjustments budget by the municipal Council in terms of section 28(2)(c) of the Act to authorise the expenditure may –
- result in significant financial loss for the municipality;
 - cause a disruption or suspension, or a serious threat to the continuation, of a basic municipal service;
 - lead to loss of life or serious injury or significant damage to property; or
 - obstruct the municipality from instituting or defending legal proceedings on an urgent basis.

The Executive Mayor **MAY NOT** authorise expenditure in terms of section 29 of the Act if the expenditure -

- (a) was considered by the Council, but not approved in the annual budget or an adjustments budget⁵; **OR**
- (b) is required for-
- price increases of goods or services during the financial year;
 - new municipal services or functions during the financial year;
 - the extension of existing municipal services or functions during the financial year; 12
 - the appointment of personnel during the financial year; or
 - allocating discretionary appropriations to any vote during the financial year; or
- (c) would contravene any existing Council policy; or
- (d) is intended to ratify irregular or fruitless and wasteful expenditure.

The accumulated authorised amount/s may not exceed 4 per cent of the approved own revenue included in the annual budget.

The authorization must be reported by the Executive Mayor to the next Council meeting.

⁴An item is considered as having been foreseen if a department has received notification thereof from any external source (such as consultant reports, etc.); legal action has been instituted against the municipality relating to the item; if any report has been submitted to a committee of Council bringing the item to the attention of Council.

⁵Same as for footnote 4.

The Accounting Officer must ensure preparation of an adjustment to include the expenses within 30 days after the expenses were incurred.

The Executive Mayor must ensure that Council approves the adjustments budget within sixty days after the expenses were incurred.

12. UNAUTHORISED, IRREGULAR OR FRUITLESS AND WASTEFUL EXPENDITURE

12.1 UNAUTHORISED EXPENDITURE

The Accounting Officer, with the assistance of the CFO and other senior managers, must ensure that no unauthorised expenditure occurs as per definition included in section 1 of this document.

In the event that the Accounting Officer, CFO or any other senior manager, becomes aware of the fact that a decision taken is likely to result in unauthorised expenditure, then that official must immediately in writing report the incident to the Accounting Officer or Executive Mayor as the case may be.

In the event that unauthorised expenditure has occurred, then the relevant senior manager, vote holder within which vote the expenditure occurred, must prepare a report within 10 working days after it came to his/her knowledge.

This report must address at least the following:

- *Background to the occurrence;*
- *Financial implications;*
- *Steps taken to prevent or rectify these internal control measures;*
- *Person responsible of the occurrence; and*
- *Recoverability of the amount.*

This report must then be tabled with the Accounting Officer's recommendation to the Council committee responsible to deal with the investigation in terms Section 32(2) (a) of the MFMA.

Should such a committee not have been established, then the report must be tabled at the Finance and Governance committee.

The Accounting Officer, in terms of section 32(4) of the MFMA, must promptly inform the Executive Mayor, the MEC for Local Government and the Auditor-General of the occurrence.

The Committee responsible to deal with the investigation in terms Section 32 of the MFMA; may consider the following resolutions, apart from corrective action decisions to prevent re-occurrence:

- A. Recommend that it must be taken-up in an adjustment budget; or*
- B. That the recovery of the money must commence from the person liable; or*

C. Certify that it is irrecoverable and must be written-off by Council.

Within 48 hours of the resolution taken by this committee, the Director Corporate Services must inform the CFO of the result.

The action to be taken by the CFO:

- In the case of resolution A, the CFO prepares an adjustment for the Executive Mayor to table to Council; or*
- In the case of resolution B, the CFO must put measures in place to transfer the expense to debtors accounts and commence with collection mechanisms at his/her disposal to recover the money due from the person liable; or*
- In the case of resolution C, the CFO must report as such in the Annual Financial statements.*

12.2 IRREGULAR AND FRUITLESS AND WASTEFUL EXPENDITURE

The Accounting Officer, with the assistance of the CFO and other senior managers, must ensure that no irregular or fruitless and wasteful expenditure occurs as per definition included in section 1 of this document.

In the event that the Accounting Officer, CFO or any other senior manager, becomes aware of the fact that a decision taken is likely to result in irregular or fruitless and wasteful expenditure, then that official must immediately in writing report the incident to the Accounting Officer or Executive Mayor as the case may be.

In the event that irregular or fruitless and wasteful expenditure has occurred, then the relevant senior manager, vote holder within which vote the expenditure occurred, must prepare a report within 10 working days after it came to his/her knowledge.

This report must address at least the following:

- Background to the occurrence;*
- Financial implications;*
- Steps taken to prevent or rectify these internal control measures;*
- Person responsible of the occurrence; and*
- Recoverability of the amount.*

This report must then be tabled with the Accounting Officer's recommendation to the Council committee responsible to deal with the investigation in terms Section 32(2) (b) of the MFMA.

The Accounting Officer, in terms of section 32(4) of the MFMA, must promptly inform the Executive Mayor, the MEC for Local Government and the Auditor-General of the occurrence.

The Committee responsible to deal with the investigation in terms Section 32 of the MFMA; may consider the following resolutions, apart from corrective action decisions to prevent re-occurrence:

- A. That the recovery of the money must commence from the person/s liable; or*
- B. Certify that it is irrecoverable and must be written-off by Council.*

Within 48 hours of the resolution taken by this committee, the Director Corporate service must inform the CFO of the result.

The action to be taken by the CFO:

- In the case of resolution A, the CFO must put measures in place to transfer the expense to debtors accounts and commence with collection mechanisms to his/her disposal to recover the money due from the person liable; or*
- In the case of resolution B, the CFO prepares an adjustment for the Executive Mayor to table it to Council*

The Accounting Officer must in terms of Section 32(6) of the MFMA report to South African Police Services all cases of alleged –

- (a) irregular expenditure that constitute a criminal offence; and*
- (b) theft and fraud that occurred in the municipality.*

The Council must take all reasonable steps in terms of Section 32(7) of the MFMA to insure that all cases in term of Section 32(6) are reported to the South African Police Service if –

- (a) the charge is against the Accounting Officer; or*
- (b) the Accounting Officer fails to comply with that subsection.*

Refer to Appendix D for examples of Irregular, Fruitless and Wasteful expenditure.

13. BUDGET IMPLEMENTATION

13.1 Monitoring

The Accounting Officer, with the assistance of the CFO and other senior managers, is responsible for the implementation of the budget, and must take reasonable steps to ensure that:

- (a) Funds are spent in accordance with the budget;*
- (b) Expenses are reduced if expected revenues are less than projected; and*
- (c) Revenues and expenses are properly monitored.*

The Accounting Officer, with the assistance of the CFO, must prepare any adjustment budgets when such budget is necessary and submit it to the Executive Mayor for consideration and tabling to Council.

The Accounting Officer, with the assistance of the CFO, must ensure that the Municipality has and maintains an effective system of expenditure control in order to assist with budget control. Budget control must be performed on the lowest level of the budget, as well as the starting activity of an expense (i.e. by line item).

The Accounting Officer, with the assistance of the CFO, must ensure that the Municipality has and maintains effective systems of:

- *Revenue collection; and*
- *Debtor management.*

The assumptions on which the revenue forecasts was based must be monitored on at least a bi-annual basis.

The Accounting Officer, with the assistance of the CFO and other senior managers, must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems

13.2 Reporting

13.2.1 Monthly budget statements

The Accounting Officer, with the assistance of the CFO, must not later than ten working days after the end of each calendar month, submit to the Executive mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report to the National Treasury must be both in electronic format and in a signed written document.

13.2.2 Quarterly Reports

The Accounting Officer, with the assistance of the CFO, must assist the Executive Mayor; in his/her duties in terms of section 52(d) of the MFMA to submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the Municipality.

13.2.3 Mid-year budget and performance assessment

The Accounting Officer must assess the budgetary performance of the Municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting Officer must then submit a report on such assessment to the Executive Mayor, Provincial Treasury and National Treasury by 25 January each year. The Executive Mayor must table this report to the Council by 31 January each year.

The Accounting Officer may in such report make recommendations, after considering the recommendation of the CFO, to prepare an adjustment budget.

14. CONCLUSION

The Director Corporate Services must place and maintain on the municipality's official website the following documents:

- (a) Annual and adjustments budgets and all budget-related documents;*
- (b) All budget-related policies;*
- (c) Integrated Development Plan;*
- (d) Annual report;*
- (e) All performance agreements;*
- (f) All service delivery agreements;*
- (g) All long-term borrowing contracts; and*
- (h) All quarterly and mid-year reports submitted the Council on the implementation of the budget and the financial state of affairs of the municipality.*

15. REVIEW

This Budget Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of this policy must be approved by Council. This policy must be reviewed and submitted for consideration by Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

APPENDIX A

COST CENTRE (Department) & VOTE STRUCTURE			
Cost centre	Municipal Votes	Vote Holder (Section 57 appointee)	Sub Vote Holder (Other Sect 57 or line manager)
Vote: Executive and Council			
31: Council: General Expenses	Executive & Council	Municipal Manager	Director: Corporate
32: Municipal Manager	Executive & Council	Municipal Manager	Manager: Performance
98: Performance, Risk & I/Audit	Executive & Council	Municipal Manager	Manager: Performance
Vote: Corporate Services			
33: Director: Corporate Services	Corporate Services	Director: Corporate	Director: Corporate
34: Document Management	Corporate Services	Director: Corporate	Manager: Document Management
35: Human Resources	Corporate Services	Director: Corporate	Manager: Human Resources
36: Legal Services	Corporate Services	Director: Corporate	Manager: Legal Services
37: Committee Services	Corporate Services	Director: Corporate	Manager: Committee Services
42: Public Participation	Corporate Services	Director: Corporate	Manager: Public Participation
74: Estates	Corporate Services	Director: Corporate	Manager: Document Management
95: Administration	Corporate Services	Director: Corporate	Manager: Administration
Vote: Financial Services			
62: Director: Financial Services	Financial Services	Director: Finance	Manager: Budget Office
63: Assessment Rates	Financial Services	Director: Finance	Manager: Budget Office
64: Payroll Management	Financial Services	Director: Finance	Manager: Expenditure
65: Meter reading	Financial Services	Director: Finance	Manager: Income
66: Management Information Services	Financial Services	Director: Finance	Manager: Information Technology
67: Finance Income	Financial Services	Director: Finance	Manager: Income
68: Stores & Materials Management	Financial Services	Director: Finance	Manager: Expenditure
69: Finance Expenditure	Financial Services	Director: Finance	Manager: Expenditure
70: Budget Office	Financial Services	Director: Finance	Manager: Budget Office

COST CENTRE (Department) & VOTE STRUCTURE

Cost centre	Municipal Votes	Vote Holder (Section 57 appointee)	Sub Vote Holder (Other Sect 57 or line manager)
97: Procurement	Financial Services	Director: Finance	Manager: Expenditure
Vote: Planning & Development			
48: Housing: Administration	Planning & Development	Director: Planning & Development	Manager: Housing
49: Housing: Letting Schemes	Planning & Development	Director: Planning & Development	Manager: Housing
50: Housing: Selling Schemes	Planning & Development	Director: Planning & Development	Manager: Housing
54: Integrated Development Planning	Planning & Development	Director: Planning & Development	Manager: IDP
78: Director: Planning & I.H.S	Planning & Development	Director: Planning & Development	Manager: Town Planning
83: Environmental Services	Planning & Development	Director: Planning & Development	Manager: Town Planning
84: Local Economic Development	Planning & Development	Director: Planning & Development	Manager: LED
85: Town Planning & Building Control	Planning & Development	Director: Planning & Development	Manager: Town Planning
Vote: Community Services			
51: Library	Community Services	Director: Community	Manager: Library Services
81: Museum & Heritage Buildings	Community Services	Director: Community	Manager: Library Services
41: Halls / Facilities	Community Services	Director: Community	Manager: Safety & Security
56: Safety: Fire Brigade Service	Community Services	Director: Community	Manager: Safety & Security
57: Safety: Law Enforcement	Community Services	Director: Community	Manager: Safety & Security
59: Safety: Traffic Department	Community Services	Director: Community	Manager: Safety & Security
58: Safety: Vehicle Licensing	Community Services	Director: Community	Manager: Safety & Security
53: Parks & Recreation	Community Services	Director: Community	Chief Parks
60: Sport Fields	Community Services	Director: Community	Chief Parks
61: Swimming Pools	Community Services	Director: Community	Chief Parks
39: Cemeteries	Community Services	Director: Community	Manager: Waste Management
72: Refuse Removal	Community Services	Director: Community	Manager: Waste Management
73: Transfer Station	Community Services	Director: Community	Manager: Waste Management
79: Street Cleaning	Community Services	Director: Community	Manager: Waste Management
47: Public Toilets	Community Services	Director: Community	Manager: Waste Management
91: Sanitation Services	Community Services	Director: Community	Manager: Waste Management

COST CENTRE (Department) & VOTE STRUCTURE

Cost centre	Municipal Votes	Vote Holder (Section 57 appointee)	Sub Vote Holder (Other Sect 57 or line manager)
Vote: Electrical Services			
75: Street Lighting	Electrical Services	Town Electrical Engineer	Principal Technician
76: Electricity Distribution	Electrical Services	Town Electrical Engineer	Principal Technician
77: Electricity Administration	Electrical Services	Town Electrical Engineer	Principal Technician
94: Workshop & Depot	Electrical Services	Town Electrical Engineer	Principal Technician
Vote: Technical Services			
80: Director: Technical	Technical Services	Director: Technical	Deputy Engineer / Area Manager
40: P/Works: Civic Buildings	Technical Services	Director: Technical	Deputy Engineer / Area Manager
87: P/Works : Storm Water	Technical Services	Director: Technical	Deputy Engineer / Area Manager
86: P/Works : Main Roads	Technical Services	Director: Technical	Deputy Engineer / Area Manager
88: P/Works : Streets	Technical Services	Director: Technical	Deputy Engineer / Area Manager
89: Sewerage Purification	Technical Services	Director: Technical	Deputy Engineer / Area Manager
90: Sewerage Reticulation	Technical Services	Director: Technical	Deputy Engineer / Area Manager
92: Water Works	Technical Services	Director: Technical	Deputy Engineer / Area Manager
93: Water Reticulation	Technical Services	Director: Technical	Deputy Engineer / Area Manager

APPENDIX B

BUDGET TRANSFER CLASSIFICATION

<i>Line Item number</i>	<i>Description</i>	<i>Ring Fence Grouping</i>	<i>Revenue or Expenditure Classification</i>	<i>Transfer From</i>	<i>Transfer to</i>
4550	Contribution to AFR	Other adjustments & transfers	Expenditure	No	No
6000	Electricity Asset Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
6100	Sewerage Asset Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
6200	Water Asset Replacements	Repairs & Maintenance	Expenditure	Yes	Yes
6201	Wtr Asset Replacement: Infrastructure	Repairs & Maintenance	Expenditure	Yes	Yes
6301	Tools & Equipment Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
6302	Computer Equipment Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
6303	Furniture and Office Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
6400	Public Works Asset Replacement	Repairs & Maintenance	Expenditure	Yes	Yes
7101	Allowance: Housing Rental	Employee Related Costs	Expenditure	Yes*	Yes*
7102	Allowance: Housing Subsidy	Employee Related Costs	Expenditure	Yes*	Yes*
7104	Allowance: Locomotion – Fixed	Employee Related Costs	Expenditure	Yes*	Yes*
7105	Allowance: Scarcity	Employee Related Costs	Expenditure	Yes*	Yes*
7106	Allowance: Shifts (Night & Sun	Employee Related Costs	Expenditure	Yes*	Yes*
7108	Allowance: Uniforms/Protection	Employee Related Costs	Expenditure	Yes*	Yes*
7112	Allowance: Other	Employee Related Costs	Expenditure	Yes*	Yes*
7113	Allowance: Acting	Employee Related Costs	Expenditure	Yes*	Yes*
7114	Allowance: Non Pensionable	Employee Related Costs	Expenditure	Yes*	Yes*
7116	Bonuses	Employee Related Costs	Expenditure	Yes*	Yes*
7120	Contributions: Pension Fund	Employee Related Costs	Expenditure	Yes*	Yes*
7122	Contributions: Medical Aid Fund	Employee Related Costs	Expenditure	Yes*	Yes*
7123	Contr. Med Aid: Cont Members	Employee Related Costs	Expenditure	Yes*	Yes*
7124	Ex Gratia Pensions	Employee Related Costs	Expenditure	Yes*	Yes*
7125	External Bursary	Employee Related Costs	Expenditure	Yes*	Yes*

7126	Group Life Insurance	Employee Related Costs	Expenditure	Yes*	Yes*
7128	Industrial Council Levy	Employee Related Costs	Expenditure	Yes*	Yes*
7129	Internship Program (Council)	Employee Related Costs	Expenditure	Yes*	Yes*
7130	Leave paid out	Employee Related Costs	Expenditure	Yes*	Yes*
7132	Overtime Pay	Employee Related Costs	Expenditure	Yes*	Yes*
7134	Provision: Protective Clothing	Employee Related Costs	Expenditure	Yes*	Yes*
7136	Salaries	Employee Related Costs	Expenditure	Yes*	Yes*
7137	Salaries: Vacant Posts	Employee Related Costs	Expenditure	Yes*	Yes*
7138	Standby	Employee Related Costs	Expenditure	Yes*	Yes*
7140	Study Assistance / Bursaries	Employee Related Costs	Expenditure	Yes*	Yes*
7141	Temp/Casual Staff M/Aid Contr.	Employee Related Costs	Expenditure	Yes*	Yes*
7142	Temp/Casual Staff	Employee Related Costs	Expenditure	Yes*	Yes*
7143	Temp/Casual Staff UIF	Employee Related Costs	Expenditure	Yes*	Yes*
7144	Traveling Claims	Employee Related Costs	Expenditure	Yes*	Yes*
7146	Unemployment Insurance Fund	Employee Related Costs	Expenditure	Yes*	Yes*
7147	Volunteers Remuneration	Employee Related Costs	Expenditure	Yes*	Yes*
7148	NOT IN USE! Wages	Employee Related Costs	Expenditure	Yes*	Yes*
7150	Insurance W C A	Employee Related Costs	Expenditure	Yes*	Yes*
7155	Prov. Defn. Benefit: Health	Employee Related Costs	Expenditure	Yes*	Yes*
7156	Prov. Defn. Benefit: Long Service	Employee Related Costs	Expenditure	Yes*	Yes*
7157	Prov. Defn. Benefit: Ex-Gratia	Employee Related Costs	Expenditure	Yes*	Yes*
7159	Funded from Other Grant Contribution	Employee Related Costs	Expenditure	Yes*	Yes*
7160	Funding From MIG	Employee Related Costs	Expenditure	Yes*	Yes*
7161	Funding from National Treasury	Employee Related Costs	Expenditure	Yes*	Yes*
7162	Funding from Province	Employee Related Costs	Expenditure	Yes*	Yes*
7163	Funded from Project (Internal)	Employee Related Costs	Expenditure	Yes*	Yes*
7164	Funding from EDEN District	Employee Related Costs	Expenditure	Yes*	Yes*
7180	Employee Costs Allocated to Op	Employee Related Costs	Expenditure	Yes*	Yes*
7199	TASK Implementation Costs	Employee Related Costs	Expenditure	Yes*	Yes*

7200	Bulk Purchases – Electricity	Bulk Purchases	Expenditure	No	No
7201	Bulk Purchases - Refuse Drums	Bulk Purchases	Expenditure	No	No
7202	Bulk Purchases - ESKOM Repayment	Bulk Purchases	Expenditure	No	No
7220	Agency Payments	Outsourced	Expenditure	Yes	Yes
7221	Agency Payment - Animal Welfare	Outsourced	Expenditure	Yes	Yes
7228	Maemsa Management Fee	Outsourced	Expenditure	Yes	Yes
7229	Penalty Disconnection Charges	Outsourced	Expenditure	Yes	Yes
7230	Prepaid Management Fees	Outsourced	Expenditure	Yes	Yes
7231	Prepaid Vendor Commission Fees	Outsourced	Expenditure	Yes	Yes
7232	Removal of Illegal Shacks	Outsourced	Expenditure	Yes	Yes
7250	Administration Charges	Interdepartmental	Expenditure	No	No
7256	Sports Development	General Expenses	Expenditure	Yes	Yes
7261	Prop Costs - Civic Buildings	Interdepartmental	Expenditure	No	No
7262	Prop Costs - MIS	Interdepartmental	Expenditure	No	No
7263	Prop Costs - Stores	Interdepartmental	Expenditure	No	No
7264	Prop Costs - Workshop & Depot	Interdepartmental	Expenditure	No	No
7270	Mun Charges - Electricity	Internal Charges	Expenditure	No	No
7272	Mun Charges - Rates Rebate	Internal Charges	Expenditure	No	No
7274	Mun Charges - Refuse	Internal Charges	Expenditure	No	No
7276	Mun Charges - Sanitation	Internal Charges	Expenditure	No	No
7278	Mun Charges - Sewer Annual	Internal Charges	Expenditure	No	No
7280	Mun Charges - Sewer Monthly	Internal Charges	Expenditure	No	No
7281	Mun Charges - Water Monthly	Internal Charges	Expenditure	No	No
7282	Mun Charges - Water Annual	Internal Charges	Expenditure	No	No
7283	Administration Charges: Housing	General Expenses	Expenditure	Yes	Yes
7284	Advertising	General Expenses	Expenditure	Yes	Yes
7286	Aids Budget	General Expenses	Expenditure	Yes	Yes
7287	EAP & OHS	General Expenses	Expenditure	Yes	Yes
7288	Audit Fees – External	General Expenses	Expenditure	Yes	Yes

7289	<i>Air Pollution Control</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7290	<i>Audit Committee Remuneration</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7293	<i>Connection Charge- Hsg Project</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7294	<i>Bank Charges</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7296	<i>Chemical Supplies</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7297	<i>Customer Care</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7298	<i>Collection Costs & Summonses</i>	<i>Collection Costs</i>	<i>Expenditure</i>	Yes	Yes
7300	<i>Commission - Debt Collection</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7301	<i>Community Development Workers</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7302	<i>Community Based Initiatives</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7303	<i>Councilors Contr Pension Fund</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7304	<i>Consumables</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7305	<i>Consultants Fees</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7306	<i>Computer Software</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7307	<i>Commission - Easy Pay/PostOffic</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7308	<i>Councilors Contr Medical Aid</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7309	<i>Contingencies</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7310	<i>Corporate Gifts</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7311	<i>Copyright Fees</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7312	<i>Councilors Remunerations</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7313	<i>Councilors :Office Allowance</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7314	<i>Councilors:Telephone Allowance</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7315	<i>Courier and Transport Costs</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7316	<i>Disaster Assistance/Donations</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7317	<i>Councilors Housing Allowance</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7318	<i>Councilors Locomotion Allowance</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7319	<i>Councilors Other Allowance</i>	<i>Councilors Remuneration</i>	<i>Expenditure</i>	No	No
7320	<i>Education Program - Litter</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes
7321	<i>Councilors: Pension Contribut</i>	<i>General Expenses</i>	<i>Expenditure</i>	Yes	Yes

7322	<i>Election Expenses</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7323	<i>ESKOM Charges (Direct)</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7324	<i>Electricity Charges</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7325	<i>Driving Permits Reimbursement</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7326	<i>Entertainment & Functions</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7327	<i>Entertainment – Mayor</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7328	<i>Woman's Day Function</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7329	<i>Fire Hydrants</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7330	<i>Fire belt& Plot Clearing</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7331	<i>Events & Festivals</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7332	<i>Floral Arrangements</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7334	<i>Fuel and Oil</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7335	<i>Fuel and Oil: Small Plant</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7336	<i>Fuel Management Rental Fee</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7337	<i>Fuel Mngt Rental Small Plant</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7339	<i>Grants-in-aid Animal Welfare</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7340	<i>Grants-in-aid and Donations</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7341	<i>Grants-in-aid Tourism</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7342	<i>Grants-in-aid LED</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7343	<i>Grants-in-aid HIV/AIDS</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7344	<i>Grants-in-aid School Bursaries</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7345	<i>Grants-in-aid Bursaries</i>	<i>Grants & Subsidies paid</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7346	<i>Hakea Eradication</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7347	<i>Hornlee Creche I&R</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7348	<i>Hire Charges</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7349	<i>Hire Charges: Office Equipment</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7350	<i>Infectious Diseases Treatment</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7351	<i>Insurance 3rd Party</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>
7352	<i>Insurance: Broker Fees</i>	<i>General Expenses</i>	<i>Expenditure</i>	<i>Yes</i>	<i>Yes</i>

7353	Insurance W C A	General Expenses	Expenditure	Yes	Yes
7355	Insurance: Non Claimable	General Expenses	Expenditure	Yes	Yes
7356	Irregular/Fruitless Expenditure	General Expenses	Expenditure	Yes	Yes
7357	KEPMAP Project	General Expenses	Expenditure	Yes	Yes
7360	Land Sales Expenses	General Expenses	Expenditure	Yes	Yes
7362	Lease Charges	General Expenses	Expenditure	Yes	Yes
7363	Local Economic Development	General Expenses	Expenditure	Yes	Yes
7364	Legal Services	General Expenses	Expenditure	Yes	Yes
7366	Levy - Bargaining Council	General Expenses	Expenditure	Yes	Yes
7367	Levy - Dept. Transp:3% Learner	General Expenses	Expenditure	Yes	Yes
7368	Levy Establishment SCDM	General Expenses	Expenditure	Yes	Yes
7369	Levy - Occupation Hlth & Safet	General Expenses	Expenditure	Yes	Yes
7370	Levy - Services SCDM	General Expenses	Expenditure	Yes	Yes
7371	Levy-Shopst Fulltime SCDM&Ouds	General Expenses	Expenditure	Yes	Yes
7372	Levy - Skills Development SETA	General Expenses	Expenditure	Yes	Yes
7374	Levy - Water Research Fund	General Expenses	Expenditure	Yes	Yes
7375	Levy - Water Gouritz CMA	General Expenses	Expenditure	Yes	Yes
7376	License and Registr Fees Vehic	General Expenses	Expenditure	Yes	Yes
7377	License and Registr Fees Softw	General Expenses	Expenditure	Yes	Yes
7378	Lost Books	General Expenses	Expenditure	Yes	Yes
7390	Mayor's Cup Sports Event	General Expenses	Expenditure	Yes	Yes
7391	Magistrate Salary Contribution	General Expenses	Expenditure	Yes	Yes
7392	Mayoral Donations	Grants & Subsidies paid	Expenditure	Yes	Yes
7393	Mayoral Deputy Donations	Grants & Subsidies paid	Expenditure	Yes	Yes
7394	Materials & Stores	General Expenses	Expenditure	Yes	Yes
7395	Materials & Stores: New Conns	General Expenses	Expenditure	Yes	Yes
7396	Network costs	General Expenses	Expenditure	Yes	Yes
7397	Materials & Stores: Hsg Conns	General Expenses	Expenditure	Yes	Yes
7400	Medical Treatments	General Expenses	Expenditure	Yes	Yes

7405	Medical Waste Disposal	General Expenses	Expenditure	Yes	Yes
7406	Membership Fees	General Expenses	Expenditure	Yes	Yes
7407	Newspapers	General Expenses	Expenditure	Yes	Yes
7408	Noise Control	General Expenses	Expenditure	Yes	Yes
7414	Office Accommodations Services	General Expenses	Expenditure	Yes	Yes
7419	Administration Fee	General Expenses	Expenditure	Yes	Yes
7420	Pre Paid Electricity	General Expenses	Expenditure	Yes	Yes
7421	Performance Management	General Expenses	Expenditure	Yes	Yes
7422	Pauper Burial	General Expenses	Expenditure	Yes	Yes
7423	PEW: Feeding Scheme	General Expenses	Expenditure	Yes	Yes
7424	Pest Control	General Expenses	Expenditure	Yes	Yes
7425	Planning	General Expenses	Expenditure	Yes	Yes
7426	Postage, Rev Stamps, Box Rentals	General Expenses	Expenditure	Yes	Yes
7427	Purified Water Inventory	General Expenses	Expenditure	Yes	Yes
7428	Pound Costs	General Expenses	Expenditure	Yes	Yes
7429	Protective Clothing	General Expenses	Expenditure	Yes	Yes
7430	Printing Costs	General Expenses	Expenditure	Yes	Yes
7431	Professional Fees	General Expenses	Expenditure	Yes	Yes
7432	Property Rates Charges	General Expenses	Expenditure	Yes	Yes
7433	Purchase of Wheelie Bins	General Expenses	Expenditure	Yes	Yes
7434	Project	General Expenses	Expenditure	Yes	Yes
7435	Quality of Supply Metering	General Expenses	Expenditure	Yes	Yes
7436	ICASA Radio Licenses	General Expenses	Expenditure	Yes	Yes
7437	Project: World Cup	General Expenses	Expenditure	Yes	Yes
7438	Recruitment Expenses	General Expenses	Expenditure	Yes	Yes
7442	Refreshments	General Expenses	Expenditure	Yes	Yes
7443	Refuse Cleanup Campaign	General Expenses	Expenditure	Yes	Yes
7444	Refuse Removal Charges	Internal Charges	Expenditure	No	No
7445	Refuse Removal: Transnet/M-Bay	Outsourced	Expenditure	Yes	Yes

7446	Road Paint & Materials	General Expenses	Expenditure	Yes	Yes
7447	Removal of Bees	General Expenses	Expenditure	Yes	Yes
7448	Relocation Expenses	General Expenses	Expenditure	Yes	Yes
7449	Remote Server Access	General Expenses	Expenditure	Yes	Yes
7450	Removal of Trees Informal Area	General Expenses	Expenditure	Yes	Yes
7451	Reporting to Public	General Expenses	Expenditure	Yes	Yes
7452	Removal of Trees Project	General Expenses	Expenditure	Yes	Yes
7453	Rehabilitation of Tip Sites	General Expenses	Expenditure	Yes	Yes
7456	Sanitation Charges	Internal Charges	Expenditure	No	No
7458	Security Services: External	Internal charges	Expenditure	No	No
7460	Septic Tank Removals	General Expenses	Expenditure	Yes	Yes
7462	Service Criminal Process Docum	General Expenses	Expenditure	Yes	Yes
7464	Services - Other Local Authori	General Expenses	Expenditure	Yes	Yes
7466	Sewerage Charges	Internal Charges	Expenditure	No	No
7472	Stationery Costs	General Expenses	Expenditure	Yes	Yes
7473	Staff Interventions	General Expenses	Expenditure	Yes	Yes
7474	Street Children Assistance Prg	Internal charges	Expenditure	No	No
7475	Street Lighting	General Expenses	Expenditure	Yes	Yes
7476	Staff Study/Bursaries	General Expenses	Expenditure	Yes	Yes
7478	Subscriptions	General Expenses	Expenditure	Yes	Yes
7480	Sundries	General Expenses	Expenditure	Yes	Yes
7481	Sundry Services Recharged	General Expenses	Expenditure	Yes	Yes
7484	Swartvlei Costs	General Expenses	Expenditure	Yes	Yes
7485	Task Process	General Expenses	Expenditure	Yes	Yes
7486	Telephones	General Expenses	Expenditure	Yes	Yes
7488	Testing of Samples	General Expenses	Expenditure	Yes	Yes
7496	Training	General Expenses	Expenditure	Yes	Yes
7498	Transfer Return Fees Deeds Off	General Expenses	Expenditure	Yes	Yes
7499	Translation Services	General Expenses	Expenditure	Yes	Yes

7500	Transport	General Expenses	Expenditure	Yes	Yes
7502	Travelling and Subsistence	General Expenses	Expenditure	Yes	Yes
7505	WSDP Upgrading	General Expenses	Expenditure	Yes	Yes
7507	Unavoidable Expenditure	General Expenses	Expenditure	Yes	Yes
7508	Unforeseen Disaster	General Expenses	Expenditure	Yes	Yes
7510	Valuation Expenses	General Expenses	Expenditure	Yes	Yes
7511	Vehicle Management System	General Expenses	Expenditure	Yes	Yes
7512	Vehicle Testing (SABS Fee)	General Expenses	Expenditure	Yes	Yes
7513	Ward Committee/Council Support	General Expenses	Expenditure	Yes	Yes
7515	Water Investigation	General Expenses	Expenditure	Yes	Yes
7516	Water Charges	Internal Charges	Expenditure	No	No
7517	Water Research	General Expenses	Expenditure	Yes	Yes
7518	Way Leaves	General Expenses	Expenditure	Yes	Yes
7519	Website	General Expenses	Expenditure	Yes	Yes
7521	Youth Advisory Centre	General Expenses	Expenditure	Yes	Yes
7522	Youth and Gender Development	General Expenses	Expenditure	Yes	Yes
7529	Provision: Alien Vegetation Er	General Expenses	Expenditure	Yes	Yes
7530	Provision: Rehab Tip Sites	General Expenses	Expenditure	Yes	Yes
7550	Air-conditioning	Repairs & Maintenance	Expenditure	Yes	Yes
7554	Buildings Estates	Repairs & Maintenance	Expenditure	Yes	Yes
7555	Buildings	Repairs & Maintenance	Expenditure	Yes	Yes
7556	Bulk Containers	Repairs & Maintenance	Expenditure	Yes	Yes
7557	Buildings Restorations	Repairs & Maintenance	Expenditure	Yes	Yes
7560	Computer Equipment	Repairs & Maintenance	Expenditure	Yes	Yes
7561	Computer Software	Repairs & Maintenance	Expenditure	Yes	Yes
7562	Contractors	Repairs & Maintenance	Expenditure	Yes	Yes
7563	Desalination plant	Repairs & Maintenance	Expenditure	Yes	Yes
7565	Electricity Infrastructure	Repairs & Maintenance	Expenditure	Yes	Yes
7568	Fencing	Repairs & Maintenance	Expenditure	Yes	Yes

7569	General Repairs	Repairs & Maintenance	Expenditure	Yes	Yes
7570	Grounds and Gardens	Repairs & Maintenance	Expenditure	Yes	Yes
7573	Housing	Repairs & Maintenance	Expenditure	Yes	Yes
7575	Infrastructure Rehabilitations	Repairs & Maintenance	Expenditure	Yes	Yes
7580	Office Furniture & Equipment	Repairs & Maintenance	Expenditure	Yes	Yes
7585	Other	Repairs & Maintenance	Expenditure	Yes	Yes
7586	Outsourced Maintenance	Repairs & Maintenance	Expenditure	Yes	Yes
7589	Pro-active: Water management	Repairs & Maintenance	Expenditure	Yes	Yes
7590	Plant & Equipment	Repairs & Maintenance	Expenditure	Yes	Yes
7591	Plumbing	Repairs & Maintenance	Expenditure	Yes	Yes
7592	Pro-active Infrastructure	Repairs & Maintenance	Expenditure	Yes	Yes
7593	Pro-active Motor Control Panel	Repairs & Maintenance	Expenditure	Yes	Yes
7594	Pro-active Pumps	Repairs & Maintenance	Expenditure	Yes	Yes
7595	Parks Program	Repairs & Maintenance	Expenditure	Yes	Yes
7596	Pro-active: Dry Waste	Repairs & Maintenance	Expenditure	Yes	Yes
7597	Pro-active: Drying Beds	Repairs & Maintenance	Expenditure	Yes	Yes
7598	Pro-active: Old Ponds	Repairs & Maintenance	Expenditure	Yes	Yes
7599	Pro-active: Sludge Ponds	Repairs & Maintenance	Expenditure	Yes	Yes
7600	Seawalls	Repairs & Maintenance	Expenditure	Yes	Yes
7601	Repeater Stations	Repairs & Maintenance	Expenditure	Yes	Yes
7603	Analytical Services	Repairs & Maintenance	Expenditure	Yes	Yes
7604	Sewer Purification Works	Repairs & Maintenance	Expenditure	Yes	Yes
7605	Sewerage: Infrastructure	Repairs & Maintenance	Expenditure	Yes	Yes
7606	Sewerage: Pumps	Repairs & Maintenance	Expenditure	Yes	Yes
7607	Sewerage: Motor Control Panels	Repairs & Maintenance	Expenditure	Yes	Yes
7608	Sewerage : Settling Tank	Repairs & Maintenance	Expenditure	Yes	Yes
7609	Sewerage: Sludge Lagoon	Repairs & Maintenance	Expenditure	Yes	Yes
7610	Streets: General Repairs	Repairs & Maintenance	Expenditure	Yes	Yes
7611	Streets: Regravelling	Repairs & Maintenance	Expenditure	Yes	Yes

7612	Streets: Resealing	Repairs & Maintenance	Expenditure	Yes	Yes
7615	Storm water Drains	Repairs & Maintenance	Expenditure	Yes	Yes
7617	Sports Grounds	Repairs & Maintenance	Expenditure	Yes	Yes
7619	Telemetry	Repairs & Maintenance	Expenditure	Yes	Yes
7620	Traffic Lights	Repairs & Maintenance	Expenditure	Yes	Yes
7621	Traffic Signs	Repairs & Maintenance	Expenditure	Yes	Yes
7622	Upgrading of Bulk Meters	Repairs & Maintenance	Expenditure	Yes	Yes
7623	Upgrading Out of Seq PP Meters	Repairs & Maintenance	Expenditure	Yes	Yes
7625	Vehicles	Repairs & Maintenance	Expenditure	Yes	Yes
7629	Water (Ex Cap)	Repairs & Maintenance	Expenditure	Yes	Yes
7630	Water: Infrastructure	Repairs & Maintenance	Expenditure	Yes	Yes
7631	Water : Pump Stations	Repairs & Maintenance	Expenditure	Yes	Yes
7649	Depreciation	Depreciation	Expenditure	No	No
7650	Depreciation: External Loan	Depreciation	Expenditure	No	No
7652	Depreciation: Grant	Depreciation	Expenditure	No	No
7654	Depreciation: Internal Loan	Depreciation	Expenditure	No	No
7655	Depreciation: CRR	Depreciation	Expenditure	No	No
7656	Depreciation: Revenue	Depreciation	Expenditure	No	No
7657	Depreciation: Special Fund	Depreciation	Expenditure	No	No
7658	Depreciation: Public Contrib.	Depreciation	Expenditure	No	No
7660	Interest-Loan Redempt Fund Adv	Other adjustments & transfers	Expenditure	No	No
7670	Interest - Revolving Fund	Other adjustments & transfers	Expenditure	No	No
7677	Impaired Assets	Impairment	Expenditure	No	No
7678	Inventory Adjments	Impairment	Expenditure	No	No
7679	Year End Shortages	Impairment	Expenditure	No	No
7680	Redemption-Loan Redemp Fnd Adv	Other adjustments & transfers	Expenditure	No	No
7690	Redemption - Revolving Fund	Other adjustments & transfers	Expenditure	No	No
7691	Actuarial Losses	Actuarial Losses	Expenditure	No	No
7692	Unamortised Discount LTL	Unamortised Discount	Expenditure	Yes	Yes

7700	Contributions-Loan Redemp Fund	Other adjustments & transfers	Expenditure	No	No
7701	Interest - Capitalised to Asse	External Interest Paid	Expenditure	No	No
7703	Interest - Loan Redemption Fun	Other adjustments & transfers	Expenditure	No	No
7704	Interest - Leased Assets	External Interest Paid	Expenditure	No	No
7705	Interest - Annuity Loans	External Interest Paid	Expenditure	No	No
7710	Interest - Stock Issue	External Interest Paid	Expenditure	No	No
7715	Redemption - Annuity Loans	Other adjustments & transfers	Expenditure	No	No
7722	Grant - National Masibambane	Operating Grant Expenditure	Expenditure	No	No
7724	Grant - National Government	Operating Grant Expenditure	Expenditure	No	No
7725	Grant - EDEN District	Operating Grant Expenditure	Expenditure	No	No
7726	Grant - W C P A	Operating Grant Expenditure	Expenditure	No	No
7727	Grant - MIG: Flood Damage	Operating Grant Expenditure	Expenditure	No	No
7728	Grant - Private	Operating Grant Expenditure	Expenditure	No	No
7729	Grant - Other	Operating Grant Expenditure	Expenditure	No	No
7730	Grant - DBSA	Operating Grant Expenditure	Expenditure	No	No
7731	Grant - Umsobomvu Youth Fund	Operating Grant Expenditure	Expenditure	No	No
7732	Grant - W C P A (Other)	Operating Grant Expenditure	Expenditure	No	No
7733	Grant - W C P A (Flood)	Operating Grant Expenditure	Expenditure	No	No
7734	Grant - EDEN(Techn Project Man	Operating Grant Expenditure	Expenditure	No	No
7795	Community Facilities Fund	Other adjustments & transfers	Expenditure	No	No
7796	Disaster Fund	Other adjustments & transfers	Expenditure	No	No
7798	Karatara / Bos Dorp (phase-in)	Other adjustments & transfers	Expenditure	No	No
7800	Housing Repair Fund	Other adjustments & transfers	Expenditure	No	No
7801	Grant Funds	Other adjustments & transfers	Expenditure	No	No
7805	Leave Pay	Employee Related Costs	Expenditure	Yes*	Yes*
7815	Loss of Rent Reserve Fund	Other adjustments & transfers	Expenditure	No	No
7822	General Repairs Fund	Other adjustments & transfers	Expenditure	No	No
7823	Valuation Reserve Fund	Other adjustments & transfers	Expenditure	No	No
7825	Bad Debt: Billing Debtors	Bad Debt Provision	Expenditure	No	No

7826	<i>Bad Debt: Long Term Receivable</i>	<i>Bad Debt Provision</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7827	<i>Bad Debt: Other Debtors (Not B</i>	<i>Bad Debt Provision</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7868	<i>FDR: Public Contributions</i>	<i>Interdepartmental</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7888	<i>Contribution Rec from Electric</i>	<i>Interdepartmental</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7889	<i>Contribution in relief of Rate</i>	<i>Interdepartmental</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7900	<i>Inter Dept Transfers & Recover</i>	<i>Interdepartmental</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7901	<i>Inter Org Transfers & Recovery</i>	<i>Interdepartmental</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7910	<i>Mun Services - Electricity</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7912	<i>Mun Services - Rates</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7914	<i>Mun Services - Refuse</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7916	<i>Mun Services - Sanitation</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7918	<i>Mun Services - Sewer Annual</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7920	<i>Mun Services - Sewer Monthly</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7921	<i>Mun Services - Water Monthly</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
7922	<i>Mun Services - Water Annual</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8100	<i>Transfer Portion to Services</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8101	<i>Rates- Housing Selling</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8102	<i>Rates- B&B: 1-4 Rooms</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8103	<i>Rates - Building Clause</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8104	<i>Rates- B&B: 1-8 Rooms</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8105	<i>Rates- Business: Accommodation</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8106	<i>Rates - Business:Commercial</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8107	<i>Rates - Business:Light Industr</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8108	<i>Rates- Bus: Sport Organisation</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8109	<i>Rates - Business:Other</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8110	<i>Rates - Business: General</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8111	<i>Rates - Government</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8112	<i>Rates- B&B: 9+ Rooms</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8113	<i>Rates- Public Service Infrastr</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8114	<i>Rates- Historical Buildings</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8115	<i>Rates- Nature Area</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8116	<i>Rates - Municipal:Departmental</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8117	<i>Rates- Domestic: Pensioner</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8118	<i>Rates- Domestic: Vacant</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8119	<i>Rates- Business: Vacant</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8121	<i>Rates-Priv:Accommodation (B&B)</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8122	<i>Rates - Private: Domestic</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8123	<i>Rates - Private: Old Age Homes</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8124	<i>Rates-Private:Sports Organisa</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8125	<i>Rates - Private: Churches</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8126	<i>Rates- Private: Welfare (PBO)</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8127	<i>Rates- Private: Schools</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8128	<i>Rates- Institutional</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8131	<i>Rates - Rural: Business</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8132	<i>Rates- Agricultural: Farms Bon</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8133	<i>Rates - Rural: Government</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8134	<i>Rates- Rural: Schools</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8135	<i>Rates- Rural: Welfare</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8192	<i>Interest on arrear Rates</i>	<i>Interest on arrear rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8199	<i>Rates-Database Cleanup Revenue</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8200	<i>Transfer from Rates</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8201	<i>Administration Fees - Coffins</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8202	<i>Application fees - land usage</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8210	<i>Building Plan Fees</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8211	<i>Burial Fees</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8219	<i>Coffins</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8220	<i>Connection Fee - New Property</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8221	<i>Connection Fee-Reconn Existing</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8222	Connection Fee-Penalty Reconn	Service Charges	Revenue	No	No
8223	Change Circuit Breaker	Service Charges	Revenue	No	No
8224	Connect Fee- Hsg Projects	Service Charges	Revenue	No	No
8225	Demolition Certificate Fees	Service Charges	Revenue	No	No
8236	Electricity Avail Charges-Priv	Service Charges	Revenue	No	No
8240	Electricity Basic Charge-Dept	Internal Charges	Expenditure	No	No
8241	Electricity Basic Charge-Domes	Service Charges	Revenue	No	No
8243	Electricity KVA Demand- Bulk	Service Charges	Revenue	No	No
8244	Electricity Sales- Bulk	Service Charges	Revenue	No	No
8245	Electricity Sales- Commercial	Service Charges	Revenue	No	No
8246	Electricity Sales- Department	Internal Charges	Expenditure	No	No
8247	Electricity Sales - Domestic	Service Charges	Revenue	No	No
8248	Electricity Sales- Free Units	Service Charges	Revenue	No	No
8249	Electr Sales-PrePd Meters Dom	Service Charges	Revenue	No	No
8250	Electricity Sales- Sport Clubs	Service Charges	Revenue	No	No
8251	Electricity Sales- St/lght Pri	Service Charges	Revenue	No	No
8252	Encroachment Fees	Service Charges	Revenue	No	No
8260	Fire Brigade Fees	Service Charges	Revenue	No	No
8266	Fire Brigage Avail Charge-Bus	Service Charges	Revenue	No	No
8267	Fire Brigade Avail Charge-Dom	Service Charges	Revenue	No	No
8268	Fire Brig Avail Chrg- Inf Area	Service Charges	Revenue	No	No
8269	Fire Brig Avail Charge-Vacant	Service Charges	Revenue	No	No
8280	Housing Rental-Loss of Rental	Service Charges	Revenue	No	No
8281	Housing Rental-Refuse Serv Chg	Service Charges	Revenue	No	No
8282	Housing Rental-Sewer Serv Chrg	Service Charges	Revenue	No	No
8283	Housing Rental-Water Serv Chrg	Service Charges	Revenue	No	No
8284	Housing Rental-White Hs Rep Fg	Service Charges	Revenue	No	No
8285	Housing Rental-Administration	Service Charges	Revenue	No	No
8286	Hsg/Rent: Com Fac Fund Contr	Service Charges	Revenue	No	No

8288	Housing Rental - Insurance	Service Charges	Revenue	No	No
8289	Housing Rental-Int&Red Contrib	Service Charges	Revenue	No	No
8290	Housing Rentals	Service Charges	Revenue	No	No
8291	Housing Selling - Admin Fees	Service Charges	Revenue	No	No
8292	Housing Sell-Comm Fac Fnd Cntr	Service Charges	Revenue	No	No
8293	Housing Sell-HousingMaint Cntr	Service Charges	Revenue	No	No
8294	Housing Selling-Insurance Cntr	Service Charges	Revenue	No	No
8295	Housing Selling-Int&Red Contr	Service Charges	Revenue	No	No
8296	Housing Selling-Loss RentResFd	Service Charges	Revenue	No	No
8297	Housing Selling-Ref Serv Chrg	Service Charges	Revenue	No	No
8298	Housing Selling-Sewer Serv Chg	Service Charges	Revenue	No	No
8299	Housing Selling- Street Lights	Service Charges	Revenue	No	No
8300	Housing Selling-Water Serv Chg	Service Charges	Revenue	No	No
8320	Refuse Availability Charges	Service Charges	Revenue	No	No
8321	Ref Charge- Agric: Domestic	Service Charges	Revenue	No	No
8322	Refuse Charges-Business:Accomm	Service Charges	Revenue	No	No
8323	Ref Charge- Bus: Commercial	Service Charges	Revenue	No	No
8324	Refuse Charges-Bus:Commerc Exc	Service Charges	Revenue	No	No
8325	Ref Charge- Bus: Light Industr	Service Charges	Revenue	No	No
8326	Refuse Charges-Governm:General	Service Charges	Revenue	No	No
8327	Refuse Charges-Governm:Schools	Service Charges	Revenue	No	No
8328	Refuse Charges-Municipal:Dept	Internal Charges	Expenditure	No	No
8329	Refuse Charges- Church	Service Charges	Revenue	No	No
8330	Ref Charge- Priv: Domestic	Service Charges	Revenue	No	No
8331	Ref Charge- Priv: Hsg Schemes	Service Charges	Revenue	No	No
8332	Ref Charge- Priv: Inform Area	Service Charges	Revenue	No	No
8333	Ref Charge- State Subsidised	Service Charges	Revenue	No	No
8334	Ref Charge- Sport Organisation	Service Charges	Revenue	No	No
8335	Refuse Tip Fees	Service Charges	Revenue	No	No

8336	<i>Ref Charge- School/Education</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8346	<i>Sewer Sales Business</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8348	<i>Sewer Sales Domestic</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8349	<i>Sewer Sales Domestic Bulk</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8350	<i>Sewer Sales Municipal</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8351	<i>Sanitaion Charges-Vacuum Tanks</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8352	<i>Sanitation Charges-Vac Tnk Dep</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8353	<i>Sewerage Availability Charges</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8354	<i>Sewerage Serv Charges-Agric:Dm</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8355	<i>Sewerage Serv Charges-Bus:Accm</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8356	<i>Sewerage Serv Charges-Bus:Comm</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8357	<i>Sewer Serv Charges-Bus:CommExc</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8358	<i>Sew Charge- Bus: Light Industr</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8359	<i>Sewerage Serv Charges-Gov:Genl</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8360	<i>Sewer Serv Charges-Gov Schools</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8361	<i>Sewer Serv Charges-Municip Dep</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8362	<i>Sewer Serv Charges-Priv:Church</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8363	<i>Sewer Serv Charges-Priv:Domest</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8364	<i>Sew Charge- Priv: Hsg Schemes</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8365	<i>Sew Charge- Priv: Inform Area</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8366	<i>Sew Charge- State Subsidised</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8367	<i>Sew Charge- Sport Organisation</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8368	<i>Sew Charge- School/Education</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8379	<i>Water Sales-Unmetered</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8380	<i>Water Availability Charges</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8381	<i>Water Sales- Business</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8382	<i>Water Sales - Departmental</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8383	<i>Water Sales- Domestic</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8384	<i>Wtr Sales-DomBlk(Flats&GroupH)</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8385	Wtr Sales-PrePd Meters:DomLost	Service Charges	Revenue	No	No
8386	Water Sales- Vendors	Service Charges	Revenue	No	No
8387	Water Sales- Schools	Service Charges	Revenue	No	No
8388	Water Sales- Sport Clubs	Service Charges	Revenue	No	No
8389	Wtr Serv Charges-Agricult:Dom	Service Charges	Revenue	No	No
8390	Wtr Serv Charges-Busin Accom	Service Charges	Revenue	No	No
8391	Wtr Charge- Bus: Commercial	Service Charges	Revenue	No	No
8392	Wtr Serv Charges-Bus:Comm Exce	Service Charges	Revenue	No	No
8393	Wtr Charge- Bus: Light Industr	Service Charges	Revenue	No	No
8394	Wtr Serv Charges-Governm:Genl	Service Charges	Revenue	No	No
8395	Water Serv Charges-Gov:Schools	Service Charges	Revenue	No	No
8396	Water Serv Charges-Municip:Dep	Internal Charges	Expenditure	No	No
8397	Water Serv Charges-Priv:Church	Service Charges	Revenue	No	No
8398	Wtr Charge- Priv: Domestic	Service Charges	Revenue	No	No
8399	Wtr Charge- Priv: Hsg Schemes	Service Charges	Revenue	No	No
8400	Wtr Charge- Priv: Inform Area	Service Charges	Revenue	No	No
8402	Wtr Charge- State Subsidised	Service Charges	Revenue	No	No
8403	Wtr Charge- Sport Organisation	Service Charges	Revenue	No	No
8404	Wtr Charge- School/Educational	Service Charges	Revenue	No	No
8405	Water Sales- Raw Water	Service Charges	Revenue	No	No
8406	Water Sales- Free Units	Service Charges	Revenue	No	No
8480	PD&C General (Augmentations)	Public Donations & Contributions	Revenue	No	No
8481	PD&C Eastford/Salt River	Public Donations & Contributions	Revenue	No	No
8482	PD&C Specific	Public Donations & Contributions	Revenue	No	No
8500	Hire of Halls	Rental of Facilities	Revenue	No	No
8501	Hire of Bulk Containers	Rental of Facilities	Revenue	No	No
8502	Hire of Equipment	Rental of Facilities	Revenue	No	No
8503	Hire of Pavement Space	Rental of Facilities	Revenue	No	No
8508	Rental Buildings	Rental of Facilities	Revenue	No	No

8509	Rental Land	Rental of Facilities	Revenue	No	No
8510	Rentals	Rental of Facilities	Revenue	No	No
8511	Rental Ornamental Plants	Rental of Facilities	Revenue	No	No
8512	Rental Caravan Park	Rental of Facilities	Revenue	No	No
8516	Rentals Road Reserve	Rental of Facilities	Revenue	No	No
8550	Interest on Asset Sales	Interest Earned: External	Revenue	No	No
8551	Interest:Ext Invest:Short Term	Interest Earned: External	Revenue	No	No
8552	Interest:Ext Invest: Long Term	Interest Earned: External	Revenue	No	No
8553	Interest: Collateral:Long Term	Interest Earned: External	Revenue	No	No
8554	Interest: Cash Bank Account	Interest Earned: External	Revenue	No	No
8555	Interest: Current Bank Account	Interest Earned: External	Revenue	No	No
8600	Interest on Arrear Debtors	Interest Earned: Internal	Revenue	No	No
8602	Interest on Staff Loans	Interest Earned: Internal	Revenue	No	No
8645	Building Fines	Fines	Revenue	No	No
8650	Overdue Books Fine	Fines	Revenue	No	No
8655	Parking Fines	Fines	Revenue	No	No
8660	Speeding Fines	Fines	Revenue	No	No
8661	Traffic Fines	Fines	Revenue	No	No
8673	B&B Registration Fee	Licences & Permits	Revenue	No	No
8675	Business Licences	Licences & Permits	Revenue	No	No
8677	Drivers Licence Cards	Licences & Permits	Revenue	No	No
8678	Application of Drivers Licence	Licences & Permits	Revenue	No	No
8679	Temporary Driving Licence	Licences & Permits	Revenue	No	No
8680	Tariff loss (other income)	Licences & Permits	Revenue	No	No
8681	Traffic Register Numbers	Licences & Permits	Revenue	No	No
8682	Issuing of Learner Licence	Licences & Permits	Revenue	No	No
8683	Application of Learner Licence	Licences & Permits	Revenue	No	No
8686	Professional Driving Permit	Licences & Permits	Revenue	No	No
8687	Duplicates:Registrations	Licences & Permits	Revenue	No	No

8688	<i>Search fees</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8689	<i>Registration: Operators Certif</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8690	<i>Roadworthy Certificates</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8691	<i>Special permits</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8692	<i>Special Registration Numbers</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8693	<i>Temporary permits</i>	<i>Licences & Permits</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8695	<i>Vehicle Registration Certific</i>	<i>Agency Services</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8700	<i>Admin.Fees:Serv to Public/Othe</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8715	<i>Capital Grant EDEN</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8716	<i>Capital Grant MIG</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8717	<i>Capital Grant NER</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8718	<i>Capital Grant WCPA</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8719	<i>Capital Grant FMG</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8720	<i>Capital Grant OTHER</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8722	<i>Contrib: Knysna Municipality</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8725	<i>Subsidy- District: Salaries</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8726	<i>VAT on Unspent Op Grts</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8727	<i>VAT on Unspent Cap Grts</i>	<i>Grants & Subsidies - Capital</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8728	<i>Subsidy- Province: Salaries</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8729	<i>Subsidy- Province: Masterplan</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8730	<i>Subsidy - Province:Main Roads</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8731	<i>Subsidy-State:Health Compr Srv</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8732	<i>Subsidy-State:Health Environm</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8733	<i>Subsidy-State:Health Fam Plan</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8734	<i>Subsidy-State:Health Prim Care</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8735	<i>Subsidy-State:IGT Equitable Sh</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8736	<i>Subs-State:Hsng Letting/SellSc</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8737	<i>Subsidy-State:Hlth PEW FeedSch</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8738	<i>Subsidy-State:Clean-up Operat</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8739	<i>Subsidy- State: IGG FBE</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8740	<i>Subsidy- State: IGG FBS</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8741	<i>Grant Income - WCPA (Flood)</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8742	<i>Grant Income - National Govern</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8743	<i>Grant Income - EDEN District</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8744	<i>Grant Income - W C P A</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8745	<i>Grant Income - MIG: Flood</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8746	<i>Grant Income - WCPA (Other)</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8747	<i>Grant Income - Umsobomvu YFund</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8748	<i>Grant Income - Other</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8749	<i>Collection Fees Recovered</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8750	<i>Donations Received</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8751	<i>Donations Received Mayor's Cup</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8752	<i>Discount on Purchases</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8753	<i>Duplicate Copy Accident Report</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8754	<i>Grant Income - National Masiba</i>	<i>Grants & Subsidies - Operating</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8755	<i>Exempted Parking</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8756	<i>Parking Fees</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8757	<i>Escort Charges</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8758	<i>Insurance Claims</i>	<i>Third Party Payments</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8759	<i>Actuarial Gains</i>	<i>Actuarial Gains</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8760	<i>Information Search Fees</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8761	<i>Confirmation of Driver Licence</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8762	<i>Irrigation Recovery (Pezula)</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8763	<i>Bad Debt Provision Reversal</i>	<i>Bad Debt Provision Reversal</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8764	<i>Irregular Recovered</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8765	<i>Valuation Certificates</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8766	<i>Valuation Reasons - Appeal Fee</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8767	<i>Contract Penalties</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8768	<i>Vat on Operating Grant-NatGov</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8769	<i>VAT on Op Grant-National MIG</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8770	<i>VAT on Op Grant-WCPA</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8771	<i>VAT on Op Grant-WCPA (Other)</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8772	<i>VAT on Op Grant-Other grantors</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8773	<i>VAT Grants rec'd-operating:MIG</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8774	<i>Lost Books Recovered</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8775	<i>VAT Grant rec'd-operating:RBIG</i>	<i>Grants & Subsidies - VAT (Op)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8776	<i>Mayoral Donations Received</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8777	<i>Newspaper Costs Refunded</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8778	<i>Penalty Disconnection Fees</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8779	<i>Pauper Coffin Sales</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8780	<i>Pound Fees</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8781	<i>Pre Paid Commitment Fee</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8782	<i>Pre Paid Relocation Fee</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8783	<i>Revaluation Fee (Rates)</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8784	<i>VAT Grant rec'd-operating:INEP</i>	<i>Grants & Subsidies - VAT (Cap)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8785	<i>Road Repair & Maintenance</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8786	<i>VAT Grant rec'd-operating:NDPG</i>	<i>Grants & Subsidies - VAT (Cap)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8787	<i>VAT Grant rec'd-operating:MDMG</i>	<i>Grants & Subsidies - VAT (Cap)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8788	<i>SITA Learnership Income</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8789	<i>Sale of Wheelie Bins</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8790	<i>Sale of Prints</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8791	<i>Sale of Refuse Bags</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8792	<i>Skills Development Levy Refund</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8793	<i>VAT Grant rec'd-Op:IHHS(WCPA)</i>	<i>Grants & Subsidies - VAT (Cap)</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8794	<i>Grant Income - EDEN(Tech Proje</i>	<i>Grants & Subsidies</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8797	<i>Advertising on Refusebins</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8798	<i>Sundries</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8799	<i>Sundry Services Recovered</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8800	<i>Surplus Cash</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8802	<i>Swimming Pool Backwash</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8803	<i>Housing / Letting Scheme (HDF)</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8804	<i>Health Refund</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8809	<i>Tampering with Meter</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8810	<i>Transport: Water Sales</i>	<i>Other Income</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8811	<i>Unamortised Disc Allowed</i>	<i>Unamortised Discount</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8812	<i>Unclaimed Deposits</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8813	<i>Unamortised Discount LTL</i>	<i>Unamortised Discount</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8814	<i>Unclaimed Wages</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8815	<i>Unclaimed Credits</i>	<i>Other non-exchange revenue</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8850	<i>Sale of redundant stock</i>	<i>Profit on sale of assets</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8851	<i>Profit on sale of assets</i>	<i>Profit on sale of assets</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8852	<i>Inventory Adjustments</i>	<i>Stock Adjustments</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8853	<i>Year End Surpluses</i>	<i>Stock Adjustments</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8870	<i>Rates Rebate: Pensioners</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8871	<i>Rates Rebate: Government</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8872	<i>Rates Rebate: Domestic 20%</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8873	<i>Rates Rebate: Municipal</i>	<i>Internal Charges</i>	<i>Expenditure</i>	<i>No</i>	<i>No</i>
8874	<i>Rates Rebate: Non-Urban Domest</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8875	<i>Rates Rebate: Rural Government</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8876	<i>Rates Rebate: Exemptions</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8877	<i>Rates Rebate: Church</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8878	<i>Rates Rebate: Indigent</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8879	<i>Rates Rebate: School Private</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8880	<i>Refuse Rebate: 100% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8881	<i>Refuse Rebate: 50% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8882	<i>Refuse Rebate: 25% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>

8883	<i>Refuse Rebate: Other</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8884	<i>Rates Rebate: School Governmen</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8885	<i>Rates Rebate: Sport Facilities</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8886	<i>Rates Rebate: Nature Area</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8887	<i>Electricity Rebate: Bulk Devel</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8888	<i>Electricity Rebate: Free Units</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8889	<i>Rates Rebate: Historical</i>	<i>Property Rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8890	<i>Sewerage Rebate: 100% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8891	<i>Sewerage Rebate: 50% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8892	<i>Sewerage Rebate: 25% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8893	<i>Sewer Rebate: Other</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8900	<i>Water Rebate: 100% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8901	<i>Water Rebate: 50% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8902	<i>Water Rebate: 25% Indigent</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8903	<i>Water Rebate: Other</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8904	<i>Water Rebate: Free Units</i>	<i>Service Charges</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
8912	<i>NOT IN USE! Interest on Arrear</i>	<i>Interest on arrear rates</i>	<i>Revenue</i>	<i>No</i>	<i>No</i>
	<i>With approval from CFO</i>			<i>Yes*</i>	<i>Yes*</i>



ANNEXURE C

**REPORT: UNFORESEEABLE AND UNAVOIDABLE
EXPENDITURE**

<Reference number>

<day month year>

REPORT TO: EXECUTIVE MAYOR

REPORT FROM DIRECTOR: <POSITION OF PERSON COMPILING THE REPORT>

PURPOSE OF THE REPORT

The purpose of this report is to table to the Executive Mayor a request to authorize unforeseen and unavoidable expenditure.

BACKGROUND / DISCUSSION

<Provide background of why the expenditure is needed and the consequences if the expenditure is not going to be authorized>

According to the best of my knowledge the criteria set in the table below are considered in the context of the expenditure for which authorization is required.

Criteria	Tick box	
Was this expenditure foreseen at the time the annual budget of the municipality was passed?	Yes	No
If delayed, would this expenditure result in or cause:		
➤ Significant financial loss for the municipality?	Yes	No
➤ Disruption or suspension, or a serious threat to the continuation, of a basic municipal service?	Yes	No
➤ Loss of life or serious injury or significant damage to property?	Yes	No
➤ Obstruct the municipality from instituting or defending legal proceedings on an urgent basis?	Yes	No

Was this expenditure considered by the council, but not approved in the annual budget or an adjustments budget?	Yes	No
Is this expenditure required for:		
➤ Price increases of goods or services during the financial year?	Yes	No
➤ New municipal services or functions during the financial year?	Yes	No
➤ The extension of existing municipal services or functions during the financial year?	Yes	No
➤ The appointment of personnel during the financial year?	Yes	No
➤ The allocation of discretionary appropriations to any vote during the financial year?	Yes	No
Would this expenditure result in or cause contravention any existing council policy?	Yes	No
Is the intended of this expenditure to ratify irregular or fruitless and wasteful expenditure?	Yes	No

FINANCIAL IMPLICATIONS / FINANSIËLE IMPLIKASIES

<Provide the direct as well as the indirect financial implications of the authorization of the expenditure>

RELEVANT LEGISLATION / RELEVANTE WETGEWING

In terms of section 29 of the MFMA the Executive Mayor may:

“in emergency or other exceptional circumstances authorise unforeseeable and unavoidable expenditure for which no provision was made in an approved budget.

(2) Any such expenditure—

- (a) must be in accordance with any framework that may be prescribed;
- (b) may not exceed a prescribed percentage of the approved annual budget;
- (c) must be reported by the mayor to the municipal council at its next meeting; and
- (d) must be appropriated in an adjustments budget.”

The framework is prescribed in Sect 71 of the Municipal Budget and Reporting Regulations promulgated in government gazette no.32141 dated 17 April 2009

“Authorisation of unforeseen and unavoidable expenditure

71. (1) *The mayor of a municipality may authorise expenditure in terms of section 29 of the Act only if -*

- (a) the expenditure could not have been foreseen at the time the annual budget of the municipality was passed; and*
- (b) the delay that will be caused pending approval of an adjustments budget by the municipal council in terms of section 28(2)(c) of the Act to authorise the expenditure may -*
 - (i) result in significant financial loss for the municipality;*
 - (ii) cause a disruption or suspension, or a serious threat to the continuation, of a basic municipal service;*
 - (iii) lead to loss of life or serious injury or significant damage to property; or*
 - (iv) obstruct the municipality from instituting or defending legal proceedings on an urgent basis.*

(2) The mayor of a municipality may not authorise expenditure in terms of section 29 of the Act if the expenditure –

- (a) was considered by the council, but not approved in the annual budget or an adjustments budget;*
- (b) is required for-*
 - (i) price increases of goods or services during the financial year;*
 - (ii) new municipal services or functions during the financial year;*
 - (iii) the extension of existing municipal services or functions during the financial year;*
 - (iv) the appointment of personnel during the financial year; or*
 - (v) allocating discretionary appropriations to any vote during the financial year; or*
- (c) would contravene any existing council policy; or*
- (d) is intended to ratify irregular or fruitless and wasteful expenditure.”*

COMMENTS: MUNICIPAL MANAGER

COMMENTS: FINANCIAL SERVICES

COMMENTS: LEGAL SERVICES

RECOMMENDATION

DECISION TAKEN BY EXECUTIVE MAYOR BASED ON RECOMMENDATION

**Approved / Not approved*

Date:

Signature:

**Delete if not applicable*

KNYSNA MUNICIPALITY



CREDIT CONTROL POLICY AND PROCEDURES

Effective from 1 July 2014

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CREDIT CONTROL POLICY AND PROCEDURES

1. DEFINITIONS:

For the purpose of this policy, the wording or any expression used has the same meaning as contained in the Act, except where clearly indicated otherwise and means the following:

“Act” The Local Government Municipal Systems Act, 2000 (Act No 32 of 2000) as amended

“Agreement” an arrangement to pay off an arrear amount with interest over an agreed period of time.

“Business” any trade, manufacturing, service delivery or commercial activity as the primary objective

“consumption” the usage of water and electricity through Council’s metered or prepaid Systems

“collection cost” all cost associated with credit control and debt collection, including interest, penalties service disconnection cost and legal cost.

“Council” the municipal council of the Municipality of Knysna

“customer/consumer” any occupier and/or owner of any property to which the municipality has agreed to supply services or already supplies services to, or failing such an occupier, then the owner of the property.

“defaulter” a person who owes money to the municipality after the due date has expired.

“deposit” a sum of money or bank guarantee paid in lieu of a service to be rendered.

“dishonoured cheque” refusal by a bank to pay an amount ordered by cheque to Knysna Municipality for whatever reason

“household income” the income accruing to all members of the household permanently residing at that address.

“indigent household/customer” means households that are registered at the municipality as such and meet the criteria i.t.o the credit control and debt collection policy and occupying a property within the jurisdiction of the municipality.

“interest” a charge levied and calculated at the prime interest rate plus 1% on all arrear amounts owed to Council

“municipal account” an account rendered specifying charges for services provided by the municipality

“municipal services” those services provided by the municipality, such as the supply of water, electricity, refuse removal, sewerage treatment , and for which service charges are levied.

“non-indigent household” means households that are not registered and who does not meet the criteria to qualify for indigent support in terms of this policy

“prepayment service/system” means a system whereby the consumers of electricity and water makes a payment in advance for the use of the service.

“property” any portion of land of which the boundaries are determined within the jurisdiction of the municipality

2. **CREDIT CONTROL PROCEDURES**

The credit control policy requires that all municipal accounts be paid on the due date as indicated on the account and that non-payment of accounts will result in credit control action being taken to ensure full compliance.

2.1 **PREPAYMENT ELECTRICITY SYSTEM**

2.1.1 Councils preferred metering system for domestic and certain business consumers is the prepayment metering system.

2.1.2 Arrear debt of consumers with prepayment meters will be dealt with in terms of credit control facilities available on the prepayment system.

2.2. **ARRANGEMENTS – CREDIT CONTROL**

2.2.1 **Arrangements**

A resident who encounters problems in paying the municipal account may enter into an arrangement to pay the outstanding account, plus interest, over an extended period of time.

2.2.2 **Responsibilities of residents in regard to arrangements**

The resident must:

2.2.2.1 Enter into an agreement with the Municipality and

2.2.2.2 Sign an acknowledgement of debt.

2.2.2.3 Acknowledge that interest will be charged at the prescribed rate.

2.2.2.4 Acknowledge that if the arrangements being negotiated are later defaulted on, then restrictions on water supply and/or the disconnection of electricity and/or the prevention of purchasing electricity or water on the Prepayment System will follow immediately, to be followed if necessary by legal proceedings.

2.2.2.5 Acknowledge liability for all legal costs which may be incurred.

2.2.3 Broken agreement

In the event that an agreement is broken, all arrear agreement instalments, plus the current monthly account, must be paid before a new agreement may be entered into.

2.2.4 Customers will be categorised into income categories which are subject to the amendment of Council on an annual basis:

2.2.4.1 Indigent (Gross household income of less than R4600 per month).

2.2.4.2 Gross household income exceeds R4600 per month.

2.2.4.3 Non domestic (excludes Government Departments).

2.2.4.4 Government Departments.

2.2.5 Arrangements by indigent customers

2.2.5.1 Indigent customers will have their credit electricity meters converted to a 20 amp circuit breaker at Council expense.

2.2.5.2 Any arrangement for the payment of debt will be as determined for the payment of arrears on the prepayment system.

2.2.5.3 Any application for further assistance must be made in terms of Council Policy.

2.2.6 Arrangements by non indigent customers

2.2.6.1 An arrangement by non indigent customers must include the following:

- Payment of the current monthly account.
- Payment of arrears for the current financial year over a maximum period of 12 months within the current financial year.
- Payment of arrears, being the amount outstanding for the previous financial year, as follows:

Income group less than R5 000 – over a maximum period of 36 months

Income group R5 000 and more – over a maximum period of 24 months

- All arrangements will be converted from annual rates accounts to monthly payments excluding municipal officials where the provisions of section 10 of schedule 2 of the Municipal Systems Act will apply with regards to arrears for a period longer than 3 months, whereby the Municipality may deduct the arrears from a staff member's salary.

2.2.6.2 Domestic customers with arrangements or upon a 3 times default may have their credit electricity meters converted to prepayment electricity meters on request/at the cost of Council.

2.2.6.3 Reduced interest charges or a discount on arrears according to a sliding scale may be considered for the full and final settlement of arrears above R10, 000.00

2.2.6.4 No further interest will be levied for entering into a fix term agreement for all legal suite accounts and attorney handovers. Interest will however be added for non-compliance to the terms and conditions of the fix term agreement. The agreement will on a two times default be cancelled and a summons will be issued for the total amount plus interest at prime plus 1 %outstanding and no further agreements will be entered in.

2.2.6.5 Council employees who are in arrears for longer than three months will have their thirteenth cheque offset against the outstanding arrear amount in the first instance.

A reminder of the arrears and if necessary a demand for payment will be issued and thereafter will employees be informed of the intention to offset arrears against their thirteenth cheque.

2.2.7 Arrangements by Businesses

2.2.7.1 The arrangement for businesses are:

- Current account to be fully maintained
- Balance of the arrears to be paid over a period of twelve (12) months.
- Customers with arrangements may have their credit electricity meters converted to prepayment meters on request/at the cost of Council.
- A full and final settlement may be negotiated with businesses provided that a least 90% of the debt is paid on condition that a prepaid electricity meter is installed at their own cost where practically possible.

2.2.8 Debt Arrangement – Prepayment system

2.2.8.1 The prepayment electricity system implemented by Council has a debt management facility. There are various blocking types, which can be utilised to collect arrear debt as follows:

2.2.8.1.1 Total Block

The consumer is blocked from buying electricity due to arrear debt and will be unblocked only when: -

- The arrear debt is paid in full, or
- An agreed arrangement has been made to pay off the arrear debt with an initial payment of R250,00 in order to unblock a customer.

2.2.8.1.2 **Percentage Blocking**

Each time the consumer makes a purchase a percentage of the amount tendered is allocated to arrear debt as follows:

- (a) Non-payment of services after 30 days – 20%
Of the electricity purchase will be allocated.
- (b) Non-payment of services after 60 days – 30%
of the electricity purchase will be allocated.
- (c) Non-payment of services after 90 days – 40%
of the electricity purchase will be allocated
- (d) If after a further 180 days, there are still
outstanding service amounts, the remaining
services debt will be handed over for collection
and the consumer blacklisted.
- (e) Indigent, social welfare recipients and
pensioners will be excluded from the
percentage block system

2.2.8.2 **Indigent Customers**

Indigent consumers will be required to pay their current monthly account before electricity can be purchased. The monthly account is the amount after the indigent subsidy has been deducted.

2.2.8.3 **Non-Indigent Customers**

An arrangement must be made with the customer to pay a minimum monthly instalment, which will include monthly charges plus the repayment of arrears within a maximum period of twelve (12) months.

3. **FINAL ACCOUNTS**

3.1 **Electricity and Water accounts**

- 3.1.1 When electricity and water consumers move from one premise to another an application for disconnection of services must be completed by the consumer, which must indicate the forwarding address of the consumer and the date of the cancellation of the service.
- 3.1.2 On the indicated date of cancellation a final reading will be taken of the electricity and water consumption and the consumer will be billed for the consumption until the final reading.
- 3.1.3 The consumer's deposit, which is held by Council, will be appropriated against the account.
- 3.1.4 If after the appropriation of the account, a credit balance remains on the account, the credit balance will be refunded to the consumer.
- 3.1.5 If after the appropriation of the account a debit balance remains on the account the balance on the account must be paid by the consumer.
- 3.1.6 If a debit balance remains unpaid by a consumer that has left town, the case will be handed over within 60 days for legal proceedings to be instituted.

3.2 **Absconded Debtors**

- 3.2.1 On becoming aware that the person who applied for the service has absconded a final reading of services will be taken, a final account produced and the consumer deposit appropriated.
- 3.2.2 Any credit balance on an account will be credited against any arrear balance on an account after which it will be handed over for legal proceedings to be instituted.
- 3.2.3 The service to the premises will be disconnected in such a way as to prevent service consumption without the required prior application for connection of services.
- 3.2.4 Any connection of services without prior application for these services will lead to immediate disconnection and a R2000 fine imposed.
- 3.2.5 In terms of Section 118 of the Municipal Systems Act the owner of a property is ultimately responsible for municipal debt on a property.

3.3 Rates Clearance Certificates

3.3.1 When an owner of a property sells the property a rates clearance must be obtained from Council by the conveyancing attorney in terms of section 118 of the Municipal Systems Act, No. 32 of 2000.

3.3.2 Council must certify that all municipal charges have been fully paid.

4. LEGAL ACTION PROCEDURES

4.1 Procedure

4.1.1 Legal action will commence by way of letter of demand sent by ordinary mail or hand delivery to the address of the debtor.

4.1.2 All cost associated with credit control and debt collection including interest, penalties, service discontinuation costs, phone call charges, letter charges, search charges and legal costs are for the account of the debtor and should reflect at least the cost of the particular action.

4.1.3 If there is no response to the letter of demand a summons must be delivered to the Clerk of the Court within 10 (ten) days of expiry of the demand period.

4.1.4 If there is no response to the summons then an application must be made for default judgment immediately the time allowed for entering an appearance to defend has expired.

4.1.4.1 If any matters are defended then these must be reported to Council's attorneys.

4.1.5 Once default judgement has been granted:

4.1.5.1 Should the capital be less than R3 000 (Three Thousand Rand), action shall proceed by means of a writ against movable property.

4.1.5.2 In the event that the capital is R3000 or more, then a writ may also be served against immovable property.

4.1.6 Council shall endeavour wherever possible to persuade the debtor to sign a consent to judgment and a consent to an emoluments attachment order which will satisfy the judgment debt within 12 (twelve) months.

- 4.1.7 Before drafting the notice of sale in execution for the sale of immovable property, the file summary must be submitted to the Mayoral Committee to obtain authority.
- 4.1.8 Before each step in the process is made, Council shall continuously verify the municipal financial system, to confirm details of the debtor/consumer's status, namely indigency, arrangements made etc.
- 4.1.9 Files will only be closed upon the written instruction of the Municipality.
- 4.1.10 If the debtor is not traceable, Tracing Agents will be appointed, alternatively Council will be advised to write off the debt and the file closed.
- 4.1.11 Council shall be informed at all times of irrecoverable debt and the reason thereof.

5. COMMITTEE FOR DEBTORS SUPPORT

5.1 Purpose of the Committee

- 5.1.1 The purpose of the Committee is to allow for an input by Councillors in legal matters that have reached the sale-in-execution stage, due to non-payment of rates and services charges.
- 5.1.2 All cases that reached the sale-in-execution stage in the legal process will be referred to the Committee.
- 5.1.3 The reason for this is to encourage debtors to pay their accounts through the assistance of Ward Councillor visits, which may result in debtors not losing their houses in a sale-in-execution.

5.2 Principles involved

- 5.2.1 The Credit Control Policy is the basis of the operation of this Committee and in terms of the existing legislation must be enforced.
- 5.2.2 The Committee will comprise of the Municipal Manager (Chairperson), Finance Manager, or his designated official, and all Ward Councillors.
- 5.2.3 The Committee will have no authority to prevent Credit Control Action. It is a committee that will monitor the progress of Ward Councillors in encouraging debtors to pay their accounts. If after 2 (two) months, no progress has been made then normal credit control action will resume.
- 5.2.4 The Committee will have no decision making authority and may only make recommendations to Council.
- 5.2.5 The Committee will meet on an as and when basis to discuss issues.

5.2.6 In terms of legal action, the Credit Control Section will proceed with the attachment and sale of movables, failing which the immovable property will be attached and sold in terms of relevant legislation

6. **ANNUAL RATES, REFUSE AND SEWERAGE CHARGES**

- 6.1 Annual rates, refuse and sewerage charges become due and payable on 1 July of every year and are extended to 30 September for debtors who have not made applications to pay rates in instalments.
- 6.2 If the annual rates, refuse and sewerage charges remain unpaid after 30 September a letter of final demand per registered mail and/or hand delivered shall be served on the debtor liable to pay the amounts due. The debtor will be given 10 business days after receipt of the demand to pay the amount payable.
- 6.3 Debtors who fail to respond to the final demand will be handed over for legal action to collect the arrears.
- 6.4 Interest on arrears will be charged on annual charges, which remain unpaid after 30 September and will be charged until the account is settled in full.
- 6.5 Ratepayers/residents may make use of the facility available to pay annually charged property rates, refuse, sewerage and service charges in twelve (12) monthly instalments.
- 6.6 In order to qualify for the payment of annual charges in twelve monthly instalments, ratepayers/residents must complete an application form to pay assessment rates by instalments. This form will be available at all municipal finance offices.
- 6.6.1 The above form must be completed and handed in before 31 May in the preceding financial year in which the ratepayer/resident wishes to commence with the payment annual rates and service charges in twelve monthly instalments.
- 6.6.2 The Ratepayer/Resident will agree: -
- To the monthly instalment be paid on or before the due date as indicated on the account.
 - That interest on arrears will be charged on unpaid instalments after the due date as indicated on the account.
- 6.6.3 All rates and service charges for the previous financial years must be paid before the facility can be implemented.

6.6.4 The facility will be applicable until withdrawn in writing by the ratepayer, resident or Council.

6.7 If more than three instalments, whether consecutive or not, are unpaid or paid in arrears during any financial year, a notice in writing shall be served on the debtor to withdraw the right to pay annual rates and service charges by instalment and after no response from the debtor within 14 days the monthly instalment facility must be cancelled and the total annual charge becomes due and payable, after which total amount due must be handed over for legal action to be instituted to collect the arrears.

6.8 Arrear rates if owed by the owner may in terms of Section 28 and 29 of the Municipal Property Rates Act be recovered in whole or in part from a tenant, occupier, or agent of the owner of the property

6.8.1 Upon servicing of a written notice on the tenant or occupier or agent of the property.

6.8.2 The recoverable amount is limited to the amount of the rent or other money due and payable by the tenant or occupier or agent to the owner.

7. MONTHLY RATES, REFUSE AND SEWERAGE ACCOUNTS

7.1 Monthly charges on accounts are liable on the due date as indicated on the account.

7.2 Interest on arrears will be charged on accounts unpaid after the due date.

7.3 Consumers with electricity meters may have their electricity supply disconnected after the due date for non payment of any of the above monthly charges and may only be reconnected after the account has been settled in full or until an acknowledgement of debt has been signed.

7.4 Consumers who again fail on their arrangement to repay the debt will have their electricity supply again disconnected and will not be reconnected until all arrear arrangement instalments and the current account is paid.

7.5 Consumers in arrears with prepayment electricity meters will be dealt with in terms of the debt collection facilities available on the prepayment system to a level of 20% of purchases.

7.6 If the above actions (7.1 to 7.4) fail to collect the arrears within 90 days the accounts will be handed over for legal action.

8. **MONTHLY ELECTRICITY AND WATER CHARGES (NON PREPAYMENT)**

- 8.1 The due date for the payment of accounts for electricity and water charges for any month will be the date as stated on the accounts.
- 8.2 A notice will appear on the monthly statement to the effect that “The supply of services may be discontinued without further notice if any amount is unpaid after the due date and the deposit may be simultaneously reviewed”.
- 8.3 If the account is not paid by the due date as stated on the account the electricity service to the consumer will be disconnected until the debt has been settled in full or until an acknowledgement of debt has been signed and a payment arrangement as approved by Council agreed to.
- 8.4 Electricity supply to consumers may be disconnected for other municipal charges i.e. rates, refuse, sewerage, water and sundry debtors. Section 102 of the Municipal Systems Act, Act 32 of 2000 determines that the accounts of the various rate and service charges may be consolidated and debt collection measures applied when a consumer defaults.
- 8.5 The disconnection of an electricity service will be undertaken in two phases i.e. first line and second line disconnections and will apply as follows:
 - 8.5.1 When a consumer defaults on the payment of the amounts due, first line disconnection will apply. First line disconnection means that the pole fuse or the circuit breaker and the bridge piece will be removed.
 - 8.5.2 Any consumer who unlawfully reconnects the electricity supply after being disconnected for an overdue account will be disconnected as a second line. The second line disconnection means that the electricity service to the property will be removed.
 - 8.5.3 On first line disconnection, a disconnection and reconnection fee is payable and will be debited to the debtors account.
 - 8.5.4 On second line disconnections, penalties and reconnection fees are payable and the reconnection of electricity will only be done when the penalty, reconnection fee and total amount due is paid in full.
 - 8.5.5 When a consumer consistently fails to pay his or her account by the due date the deposit of the consumer shall be reviewed and adjusted to cover an account for electricity and/or water for a period of 3 months based on the consumer's consumption over the previous 6 months. The reconnection will only be done once the adjusted deposit and full outstanding amount has been paid or the consumer has agreed to the installation of a pre-paid electricity meter.

9. **SUNDRY DEBTOR ACCOUNTS**

- 9.1 All debts that fall in this category are payable on presentation of an account (e.g. damage to municipal property, such as electricity poles, traffic lights, etc).
- 9.2 The relevant department that initiates this type of transaction must forward all the relevant documentation to the Manager: Income
- 9.3 All debt that has not been settled within one month from the date of invoice must be referred for collection.
- 9.4 Depending on the circumstances of each case and the amount involved, arrangements can be made to redeem the debt over a period to a maximum of 6 months.
- 9.5 Debt of 60 days and over will be handed over for legal action.

10. **DISHONOURED DEBTOR CHEQUES (R/D CHEQUES)**

- 10.1 On receipt of a dishonoured cheque the payment will be reversed on the debtors account.
- 10.2 Services to the debtor's premises – will be disconnected after notification of the cheque being dishonoured- and only reconnected when the debtor's account has been settled.
- 10.3 No arrangement to pay arrears will be entertained.
- 10.4 The debtor will be informed that only cash will be accepted in future.

11. **UPFRONT CREDIT CONTROL**

- 11.1 No Building plans will be approved if Council is owed money.
- 11.2 No electricity upgrades will be approved if Council is owed money.
- 11.3 No refund of any deposit will be approved if Council is owed money.

12. **ALLOCATION OF PAYMENT RECEIVED**

12.1 Settlement of an account clears all charges, including interest on arrears and tamper fees where applicable.

12.2 Part payment of an account will be allocated at the discretion of Council.

12.3 The priority allocation of part payments are as follows:

- Interest on arrears
- Assessment rates
- Refuse and sewerage charges
- Miscellaneous charges
- Rental charges
- Electricity and Water

12.4 The selected payment of certain charges is not allowed.

12.5 Council may consolidate any separate accounts of persons liable for payments and credit a payment against any account of that person and implement debt collection and credit control measures to any arrears on any of the accounts

NOTE: The priority allocation of part payments shall be agreed by Council on an annual basis by means of approval of this policy.

KNYSNA MUNICIPALITY



INDIGENT SUPPORT AND SOCIAL REBATE POLICY: 2014/2015

Effective from 1 July 2014

DEFINITIONS

"Act" The Local Government: Municipal Systems Act 2000 (Act No 32 of 2000) as amended from time to time.

"Council" the municipal council of the Municipality of Knysna

"financial year" a 12 month period from 1 July to 30 June each year.

"household" all the occupants of a house or property living as a family

"household income" the income accruing to all members of the household permanently residing at that address. It includes income of spouses.

"indigent person" a person whose household income does not exceed the minimum household income as predetermined by council.

"municipal services" those services provided by the municipality, such as the supply of water, electricity, refuse removal, sewerage treatment for which service charges are levied.

"occupier" any person who occupies any property or part thereof, without taking cognisance of the title in which he or she occupies the property.

"property" any portion of land, of which the boundaries are determined, within the jurisdiction of the municipality

Indigent Support and Social Rebate Policy

Section 97(1)(c) of the Municipal Systems Act requires municipalities to formulate an Indigent Policy that is consistent with Council's rate and tariff policies and also meets the requirements of S152 of the Constitution.

1. INTRODUCTION

In terms of Section 74(i) of the Act, the Council should at least take into consideration the extent of subsidisation of tariffs for poor households. Arising from the above, Council needs to approve an Indigent Support Policy. This policy must provide procedures and guidelines for the subsidisation of rates and basic services and tariff charges to its indigent households.

The Council accepts responsibility for the rendering of services in terms of Schedules 4 and 5 of the Constitution as well as other services which may be delegated by National and Provincial Government. The Council will endeavour to render a basic level of services necessary to ensure an acceptable and reasonable quality of life and which takes into account health and environmental considerations.

2. THE OBJECTIVE

The objective of the Indigent Support and Social Rebate Policy is to ensure the following:

- 2.1 The provision of basic services to the community in a sustainable manner, within the financial and administrative capacity of the Council; and
- 2.2 To provide procedures and guidelines for the subsidisation of rates and basic service charges to its indigent households, using the Council's budgetary provisions received from National Government, according to prescribed policy guidelines.
- 2.3 Council also recognises that many of the residents can simply not afford the cost of full provision and for this reason Council will endeavour to ensure affordability through:
 - 2.3.1 Setting rates and tariffs in terms of the Council's Rates and Tariff Policy, which will balance the economic viability of continued service delivery; and
 - 2.3.2 Determining appropriate service levels.

3. **RESPONSIBILITY/ACCOUNTABILITY**

Council has the overall responsibility for compiling, approving and implementing the Indigent Support and Social Rebate Policy.

4. **INDIGENT SUPPORT AND SOCIAL REBATE POLICY PRINCIPLES**

The following should be the guiding principles in implementing the Indigent Support Policy:

- 4.1 The Indigent Support and Social Rebate Policy is in accordance with Local Government Municipal Systems Act, 2000, Local Authorities Ordinance No. 25 of 1974 and all other amending or related legislation.
- 4.2 Relief will be provided by Council to registered residential owners and/or consumers of services.
- 4.3 The Council must, wherever possible, ensure that any relief is constitutional, practical, fair, equitable and justifiable to avoid alienating any group of households. There should be no differentiation whatsoever of any residential consumers. It should only differentiate in the level of service rendered.
- 4.4 The subsidy for minimum service level should not result in the creation of a massive bureaucratic administration that would not be cost effective to implement eg when more than 25% of the population/consumers require/qualify for subsidisation.
- 4.5 Differentiation must be made between those households who cannot afford to pay for basic services and those who simply do not want to pay for these services.
- 4.6 The payment for services should be affordable to all consumers.
- 4.7 It should be for a financial year, and reviewed annually.
- 4.8 Council may review and amend the qualification for indigent support and social rebates, annually during the budget cycle.
- 4.9 The collective or joint gross income of each household will be taken into account. The household income must be correctly reflected on the application form requesting indigent support or a social rebate, which may be withdrawn if the income is found to have been incorrectly submitted.

- 4.10 The residents must formally apply on the prescribed application forms for the relief and will qualify for the indigent support or social rebate according to these prescribed criteria/principles laid down by Council. After the application form has been completed, an effective and efficient evaluation system will be used in order to obtain the outcome within a reasonable time determined by Council.
- 4.11 If a person/household is found to be indigent, he/she will be registered on a database linked to the debtors system and to Council's Local Economic Development system.
- 4.12 The onus is on the recipient to inform the Council of any change in his/her status or personal household circumstances.
- 4.13 Disciplinary measures will be imposed on persons who misuse the system and provide incorrect information. These measures are:
 - 4.13.1 A person will forfeit his or her status as a registered indigent and will thereafter be treated as an ordinary residential property owner or account holder for the financial year concerned.
 - 4.13.2 Relief may be withdrawn if a registered indigent fails to keep to the terms of the policy or any tampering with the installations of the municipality is detected.
 - 4.13.3 A person shall be liable to repay the municipality with immediate effect all indigent relief received from the date of such fraudulent registration.
- 4.14 An approved community communications programme in English, Afrikaans and Xhosa, embodying the principles of transparency and will be implemented in respect of the indigent support programme.
- 4.15 It will also be a requirement of this policy where it is practically possible for certain individuals to engage in programmes offered by the municipality which has its aim to promote economic development and self sufficiency amongst the indigent.
- 4.16 Council may introduce further principles consistent with the objectives of Indigent and Social support.

5. **CRITERIA FOR QUALIFICATION FOR INDIGENT SUPPORT AND SOCIAL REBATES**

- 5.1 A household where the combined gross income of all occupants is below a level as defined by Council on an annual basis.
- 5.2 Only registered owner occupiers or residents in Municipal schemes who have signed a deed of sale with the Municipality will qualify.
- 5.3 Applicants who formally apply for relief must satisfy the criteria/principles determined by Council.
- 5.4 Only households/occupants/residents/dependants who do not own more than one property, will qualify.
- 5.5 The applicant must be a South African citizen or must have proof of recognized refugee status.
- 5.6 An application for a rebate must be accompanied by an affidavit or documentary proof of the true income or employment status of the applicant.

6. **EXTENT OF INDIGENT SUPPORT AND SOCIAL REBATES**

The extent of any support will be determined by Council's budgetary provisions after also taking into consideration the amount received from National Government for this purpose.

7. **APPLICATION FOR INDIGENT SUPPORT**

- 7.1 Applications for relief must be made in a manner prescribed by Council whereupon the applicant must comply with the necessary requirements to qualify for support.
- 7.2 The application form to contain, inter alia, the following important information:
 - 7.2.1 Details of the Account holder eg. owner of the property.
 - 7.2.2 Proof of income of all residents of the household
 - 7.2.3 Identification documents; and
 - 7.2.4 Number and names of dependants, permanently resident at that address.
- 7.3 Applicants to re-apply for continued relief to be submitted annually.

8 APPLICATION FOR SOCIAL REBATE

- 8.1 Council may annually grant a social rebate to pensioners and persons receiving a Government disability pension, or old age pension.
- 8.2 The conditions to qualify for the social rebate are as follows:
 - 8.2.1 The person must be 60 years of age and older.
 - 8.2.2 The person must occupy the property registered in their name.
 - 8.2.3 The joint gross income from all sources may not exceed an amount to be approved by Council on an annual basis (currently R4600 per month)
 - 8.2.4 Some of the sources of income from the applicant and the spouse of the applicant are the following:
 - 8.2.4.1 Income from employment
 - 8.2.4.2 Income from self employment
 - 8.2.4.3 Income from pension (all types of pension)
 - 8.2.4.4 Income from rental
 - 8.2.4.5 Income from investment
 - 8.2.5 Persons who are under the age of 60 years and receive a Government disability pension (grant) may also qualify for the social rebate.

9 APPLICATION AND SUPPORTING DOCUMENTATION

- 9.1 The applicant must complete an Application for social rebate form, which will be available at all municipal enquiry offices.
- 9.2 The application must be submitted before 31 May of each year.
- 9.3 The following must accompany the application form:
 - 9.3.1 Proof of income
 - 9.3.2 Proof of unemployment
 - 9.3.3 A copy of the applicant's identity documents
 - 9.3.4 An affidavit witnessed by a commissioner of oath that income from all sources is less than R4600 per month.

10. **ON-SITE AUDIT INSPECTION**

An on-site audit may be conducted by Municipal Employees or designated agents to verify the information supplied on the Application Form. Confirmation of circumstances will be at the discretion of Council.

11. **BASIC SERVICES OFFERED TO THE INDIGENT AND RECIPIENTS OF A STATE PENSION OR STATE DISABILITY GRANT**

Indigent Support and Social Rebates is to be provided for the following services, subject to funds being allocated and appropriate allocation of funds by the National Treasury and the relevant criteria being adhered to:

- 11.1 Rates
- 11.2 Basic Sewerage
- 11.3 Refuse
- 11.4 Basic Water
- 11.5 Basic Electricity

Consumption of water, sewerage and electricity subject to special allowances for free water and electricity, must be paid in full.

12. **DISCRETIONARY POWERS**

Council has the discretion to amend any clause, stipulation or tariff embodied in the Indigent Support and Social Rebate Policy in the interest of the parties concerned.

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KNYSNA MUNICIPALITY



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Municipality Munisipaliteit uMasipala

CASH, LIABILITY AND INVESTMENT MANAGEMENT POLICY

Effective date: 1 July 2014

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LIABILITY, INVESTMENT AND CASH MANAGEMENT POLICY

1. INTRODUCTION

- 1.1 As the trustee of public funds Council is exposed to risks that may arise from debt raising, investments and associated interest rate management activity.
- 1.2 The purpose of this policy is to ensure that public funds are safeguarded and risk is reduced to an acceptable level within a regulatory framework.
- 1.3 This policy is required in terms of the provision of the MFMA (Act 56 of 2003).

2. REGULATORY FRAMEWORK

- Legislation – Municipal Finance Management Act 56 of 2003
- Treasury regulations in terms of Section 13(1) of the Act.

3. OBJECTIVES

- To comply with the regulatory framework in terms of the relevant legislation.
- To manage Council's investments within its strategic objectives and invest surplus cash in liquid and creditworthy approved institutions.
- To raise appropriate finance, whilst recognizing maturity and interest rates, in accordance with budgetary requirements.
- To manage the overall cash position of Council's operations.

In meeting the above objectives, Council is, above all, a risk averse entity and seeks to minimise risk within its financial management activities. Interest rate risk, liquidity risk and credit risk are risks that Council needs to manage. Accordingly any activity which may be construed as speculative in nature is expressly forbidden.

4. RESPONSIBILITY AND ACCOUNTABILITY

The key responsibilities in terms of the MFMA are:

Council

- Approve borrowing during Annual Planning process, in line with the budget and IDP.
- Approve additional new borrowing not determined during the annual planning process.
- Approve Cash Management Policy.

Accounting Officer (Municipal Manager)

- Opening and closing bank accounts
- Formally review the treasury policy at least once every 2 years.
- Delegate authority to the Accountant: Treasury.

Director: Finance (CFO)

- Negotiate borrowing facilities with approved lending institutions.
- Review bi-annual reports to monitor compliance with policy, procedures and risk limits.
- Recommend amendments to the policy and procedures to Council for approval.
- Overall responsibility for all activities relating to implementation of approved policy.
- Manage Council's relationship with financial institutions.
- Determine most appropriate source and terms and conditions of borrowing and recommend such to Council for approval.

Manager: Budget Office (MBO)

- Management responsibility for implementing policy relating to borrowing, investment and risk management activity.

Accountant: Treasury

- Responsible for keeping the Manager: Budget Office informed of significant policy activity and market trends.
- Execute daily cash management, investment, borrowing and risk management activities.
- Arrange all borrowing documentation and prepare authorization resolutions.
- Produce monthly reports on investment, borrowing and risk management activity.
- Annual review of credit ratings of banks.
- Ensure all borrowing has been approved by Council.

5. BORROWING POLICY

5.1 General Policy

Council borrows money by raising loans as it considers appropriate. Council approves borrowing by resolution. Projected debt levels are ascertained from detailed cash flow forecasts prepared during the Strategic and Annual Planning process, in line with the budget and IDP.

Council raises money for the primary purpose of investment in assets, i.e. property, plant or equipment to be used for the purpose of achieving the objectives of local government as set out in section 152 of the Constitution of South Africa.

In evaluating new borrowings (in relation to source, term, size and pricing) the Director: Finance will take into account the following:

- 5.1.1 The size of the loan in relation to the economic life of the project.
- 5.1.2 Revenue, if any, flowing from the project.
- 5.1.3 The impact of the new debt on total debt and therefore on the borrowing limits.
- 5.1.4 Relevant margins under terms and conditions of each borrowing source.
- 5.1.5 Council's overall debt maturity profile, to avoid concentration of debt at re-issue/rollover time.
- 5.1.6 Prevailing interest rates relative to term for both stock issuance and bank borrowing and management's view of future interest rate movements.
- 5.1.7 Available terms from banks as well as stock issuance or annuity loans.
- 5.1.8 Legal documentation and financial covenants.
- 5.1.9 Impact on the relevant tariffs (in case of specific assets) or property rates in case of general assets.

5.2 Borrowing Limits

In managing borrowing Council will adhere to the following limits (based on Council's latest core financial statements):

- 5.2.1 The maximum level of all long term external debt will not exceed 25% of total carrying value of non-current assets.
- 5.2.2 The gross interest and redemption expense of all external long term borrowing will not exceed 15% of total own revenue as reflected in the Statement of Financial Performance.

5.3 Liquidity and Credit Risk Management

Council's ability to readily raise cost effective borrowing depends on its ability to maintain a strong balance sheet as well as its ability to generate property rates income, manage its image in the money and capital markets and its relationships with bankers.

Council needs to ensure funds are available for repayment of debt; that maturities of investments and debt are matched through rolling cash flow forecasts; that investments are maintained in liquid assets and that funds are available through committed and/or uncommitted bank facilities.

5.4 Security

As a general principle, Council will not offer assets or special rates as security for general borrowing programs, however:-

In the event of the lending institutions stipulating a requirement, Council may approve security by way of:

- 5.4.1 Charging a deemed rate or percentage of rates and/or service revenue; or
- 5.4.2 In special circumstances levy a charge over one or more of the Council's assets; or
- 5.4.3 Offer the project to be funded by the loan(s) as security for the loan(s).

5.5 Repayment

The Council will repay the capital and interest of each loan from the budget allocated to that particular loan.

5.6 Contingent Liabilities

Council may from time to time, provide financial guarantees within its legal capacity. Management will ensure that the business plan of the guaranteed party furthers the strategic objectives of Council and that financial statements are received on a regular basis. Before granting a guarantee Council will secure collateral guarantees from the organization members.

These actions to be guided by S50 of the MFMA.

5.7 Foreign Currency Borrowing

Council may not raise loans in a foreign currency.

6. INVESTMENT POLICY

6.1 General Policy

Generally Council will invest surplus funds with deposit taking institutions registered in terms of the Bank's Act, 1990 (Act 94 of 1990), for terms not exceeding one year in anticipation of cash flow expectations.

From time to time, with prior Council approval, investments can exceed 1 [one] year and be made at other institutions/instruments as approved in the *national* treasury regulations from time to time.

6.2 Diversification

Council will only make investments with approved institutions which have an A rating.

As a general rule, not more than 40% of available funds be placed with a single institution depending upon prevailing market conditions. (Excluding investments made per Council resolution).

That the 40% be used as a guideline, as council has ceded investments which affect the total percentage of available funds to be placed with a single institution.

6.3 Quotations

Prior to an investment being made at least three [3] written quotations must be obtained.

Acceptance of the above must be governed in order of priority by:

- 6.3.1 Preservation and safety of principal;
- 6.3.2 Liquidity;
- 6.3.3 Yield;
- 6.3.4 Where appropriate, match dates of repayment of maturing loans.

6.4 Ownership

All investments must be made in the name of Knysna Municipality.

6.5 Investment Managers

If Investment Managers and/or Firms are to be used for the management of the entire investment portfolio of Council, then these services can only be utilised with prior Council approval based on cost effective considerations.

Should an Investment Management Firms be utilised for placing of individual investments, this must be done in terms of this policy as is the case for an investment with any approved financial institution.

7. CASH MANAGEMENT POLICY

7.1 General Policy

It is recognised that from time to time, Council has both cash flow surpluses and borrowing requirements due to daily receipts and payments.

Council maintains a daily cash position summary and a yearly cash flow projection is prepared during the annual planning process and is updated monthly. This determines Council's borrowing requirements and surpluses for investment. Cash invested "outside" the bank account is covered by section 6 of this policy.

7.2 Bank Account

Council operates one primary bank account and the following secondary accounts for its day to day operational activity requirements.

- Cash account - day to day cash activities
- Vat account – VAT 201 claims received from SARS
- Revenue account – traffic fines paid to the municipality which are cleared daily to the primary account

All monies due to Council and due by Council emanating from Council activities must pass through the primary account.

7.3 Bank Overdraft

7.3.1 Council policy is, as far as is possible, to avoid going into overdraft.

Short-term debt will only be incurred based on expected income and must be repaid within the same financial year. (S45 of the MFMA)

7.3.2 Any overdrawn bank account at any date must be reported to the next available Council meeting with the attendant reasons.

7.3.3 Any short term facility that requires review must first be submitted to Council for agreement.

8. **PERFORMANCE MEASUREMENT**

Measuring the effectiveness of Council's treasury activities is achieved through a mixture of subjective measures. The predominant subjective measure is the overall quality of treasury management information. The Director: Finance has primary responsibility for determining this overall quality. Objective measures include:-

8.1 **Borrowing:**

8.1.1 Adherence to policy.

8.1.2 Unplanned overdraft costs.

8.1.3 Comparison of actual monthly and year to date costs vs budget borrowing rate.

8.2 **Investments:**

8.2.1 Adherence to policy.

8.2.2 Timely receipt of interest income.

9. **REPORTING**

9.1 **Reports**

The following reports are produced:

Report Name	Frequency	Prepared by	Recipient
Investment	Monthly	Accountant: Treasury	Manager Budget Office, Director Finance, Council
Debt Report (Borrowing Monitoring Return)	Quarterly	Accountant: Treasury	Manager Budget Office, Director Finance, Council

10. DELEGATED AUTHORITIES & KEY INTERNAL CONTROLS

10.1 Delegated Authorities

ACTIVITY	RESPONSIBILITY
Alter policy	Council
Approve principal banker	Council
Open/close bank accounts	Municipal Manager
Cheque signatories	Municipal Manager
Approve new borrowing	Council
Arrange new loans	Director: Finance
Manage investments	Director: Finance
Transfers of stock (selling of investments)	Director: Finance
Register new debt issues	Director: Finance

10.2 Key Internal Controls

Sound treasury procedures with appropriate controls are required to minimize risks the Council may experience through unauthorized treasury activity or unintentional error. The following key internal controls are adhered to: (taking cognizance of requirements of Auditor General, Internal Audit and Audit Committee).

10.2.1 Organisational Controls

- Director: Finance has responsibility for establishing appropriate structures, procedures and controls to support borrowing, investment cash management and risk management activity.
- All borrowing, investment, cash management and risk management activity is undertaken in accordance with approved delegations.

Cheque/Electronic Banking Signatories

- Approved by Municipal Manager.
- Dual signatures are required for all cheques and electronic transfers (at least one primary signature).
- Cheques must be in the name of the counterparty crossed “Not Transferable” via the Council bank account except the “Cash” account which must always be at minimum levels.
- No cash cheques may be issued.

- Cash floats may be utilized. The level of the float may not exceed R1000 and will be decided upon by the relevant manager in conjunction with the Director: Finance.

Authorised Personnel

- All counterparties are provided with a list of personnel approved to undertake transactions, standard settlement instructions and details of personnel able to receive confirmations.

10.2.2 Borrowing

In addition to the controls listed under Section 10.2.1, the following controls apply to borrowing:

- Borrowing activity is undertaken within the borrowing limits specified in Section 5 of the policy.

10.2.3 Investments

In addition to the controls listed under Section 10.2.1, the following controls apply to investments:

- Investment activity is undertaken within limits specified in Section 7 of the policy.
- All deliverable certificates of investments for example, bank bills are to be held in safe custody.

11. Public Participation

All borrowing and investments exceeding a term of [1] one year must be advertised in the local press to promote transparency and the public participation process.

12. Review

This Liability, Investment and Cash Management Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of this policy must be approved by Council.

This policy must be reviewed and submitted for consideration by Council on an annual basis.

Funding and Reserves Policy 2014/2015

KNYSNA MUNICIPALITY



FUNDING AND RESERVES POLICY

Effective date: 1 July 2014

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The approved amendments to this policy are intended to make certain sections more clear, provide more details for readers, users and practitioners, and show links with the budget schedules required in the terms of the Municipal Budget and Reporting Regulations that are used in the Medium Term Revenue and Expenditure (MTREF) budget report that is submitted to council for approval of the annual budget.

FUNDING AND RESERVES POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets itself the objective of becoming a financially sustainable municipality with basic levels of service delivery to the entire community.

This policy aims to set standards and guide lines towards ensuring financial viability over both the short- and long term and includes funding as well as reserves requirements.

2. SECTION A: FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes and
- Borrowed funds, but only for capital projects.

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cash – funded i.e. cash receipts (cash/cash equivalents) inclusive of prior cash surpluses must equal or be more than cash payments¹.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care that the objectives of this policy are achieved.

¹ The following budget schedules must reflect positive balances for:
A7: Budgeted Cash Flows - 'Cash/cash equivalents at the yearend'
A8: Cash backed reserves/accumulated surplus reconciliation – 'Surplus/(shortfall)'

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash – funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's 'Liability, Investment and Cash Management' Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's 'Liability, Investment and Cash Management Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross-subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

- a) The budget must be cash – funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information²;
- c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;

² Refer also to the Rates Policy, Section 3. Principles

- d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation and be included in changes in Cash and Cash Equivalents and Payables.

Within the budget, grants recognised as revenue must equal the total expected expenditure from grants inclusive of capital expenditure and VAT, as per directives given in various MFMA Circulars.

- e) Projected revenue from services charges must be reflected as net (ie all billing less revenue foregone, including free basic services, discounts and rebates).
- f) Projected revenue from property rates must include all rates to be levied. All rebates and discounts must be budgeted for as revenue foregone.

For the purpose of the Cash flow Budget all rebates and discounts must be deducted from the projected revenue.

- g) Only changes in fair values related to cash may be included in the cash flow budget. Changes to unamortised discount must be included in the Operating Budget.
- h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits' requirements are well above the initial cash capabilities of the municipality. It is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5per cent of the prior year balance of the long-term benefits, be included in the operating budget to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an "Employer Benefits Reserve".
- i) Depreciation must be fully budgeted for in the operating budget.

In order to ensure a sufficient accumulation of cash for the replacement of Property, Plant and Equipment and Intangible Assets, the amount of depreciation on assets funded from internally generated funds³, excluding assets funded from transfers and grants, public contributions and borrowings should be reflected as a surplus on the cash flow budget,

³ Including at least the capital replacement reserve and surplus cash

however it is accepted that this could create an affordability issue in the short term requiring the treatment to be flexible.

- j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

An initial contribution to current provisions, as well as 20per cent of the prior year balance of the non current provision, will be considered for budget purposes as cash surpluses until the necessary funding level is obtained.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non – existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of transfers and grants, public contributions and donations, borrowing and internally generated funds.

Internally Generated Funds

The capital budget financed from internally generated funds is primarily funded from the capital replacement reserve and surplus cash resources. The allocations of the funding sources from internally generated funds will be determined during the budget process.

Transfers and Grants (Including Public Contributions and Donations)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should be taken that the acceptance of grant funding does not place an unreasonable burden on the residents for future operating and maintenance costs which may be higher than their ability to pay.

The Accounting Officer will annually evaluate the long term effect of capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put accounting measures in place to comply with this requirement as far as possible.

Borrowings

The municipality may only raise long-term borrowings in accordance with its 'Liability, Investment and Cash Management' Policy..

The Accounting Officer must put accounting measures in place to ensure that no unspent portions of loans are utilised for operating purposes.

For budgeting purposes any difference between proposed capital spending from loans and proposed loans raised must be included in the cash surplus for the year, i.e. any unspent borrowings at year end must be cash-backed in the 'Cash backed reserves/accumulated surplus reconciliation'.

Repaying long-term liabilities will impact directly on future tariffs that will be charged to consumers. For this reason, Council will give priority to borrowing for revenue-generating assets only. Provision for acquiring non-revenue generating assets will be made by way of utilising other funding sources.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators will include all indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved, unless those negative indicators can be reasonably explained and any future budget projections address the turn-around of these indicators to within acceptable levels⁴.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

⁴ Indicators may include those referred to in the following budget schedules:
SA8: Performance indicators and benchmarks
SA10: Funding measurement

A positive cash/cash equivalents position should be maintained throughout the year. In addition, the forecasted cash position at year-end must at least be the amount as calculated in the Reconciliation of Cash Requirements as determined by this policy and attached to this policy as Appendix "A"⁵.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position (cash/cash equivalents and investments) of the municipality must be sufficient that it can:

- Provide for the cash-backing of:
 - unspent conditional transfers and grants;
 - unspent conditional public contributions;
 - unspent borrowing;
 - the cash portion of statutory funds such as the Housing Development Fund;
 - VAT due to SARS;
 - secured investments (whether long- or short-term);
 - reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy; and
- Take into account other working capital requirements.

2.8.4 INDICATORS

2.8.4.1 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ("CASH COVERAGE")⁶

This indicator shows the level of risk should the municipality experience financial stress.

2.8.4.2 SURPLUS/DEFICIT EXCLUDING DEPRECIATION OFFSETS⁷

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a "balanced" budget but excluding such depreciation charges, the depreciation charges maybe offset against the net surplus / deficit.

Should a budget result in a deficit after the offsetting, the budget will be deemed unfunded and must be revised.

⁵ A surplus balance on budget schedule A8: Cash backed reserves/accumulated surplus reconciliation

⁶ Supporting Table SA10 Funding measurement: indicator no. 3

⁷ Supporting Table SA10 Funding measurement: indicator no. 4

2.8.4.3 PROPERTY RATES/SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET⁸

The intention of this indicator is to ensure that tariff increases are in line with macro economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

The formula to be used is as follows:

	DESCRIPTION	PROPERTY RATES	SERVICE CHARGES	TOTAL
A	Revenue of budget year	R XX	R XX	R XX
B	Less: Revenue of prior year	R XX	R XX	R XX
C	=Revenue increase/decrease	R XX	R XX	R XX
D	% Increase/(Decrease)	C/B %	C/B %	C/B %
E	Less: Upper limit of macro Inflation target	%	%	%
F	=Growth in excess of inflation target	%	%	%
G	Less: Expected growth %	%	%	%
H	=Increase attributed to tariff Increase above macro inflation target	%	%	%

In the event that the percentage in (h) above is greater than zero, a proper motivation must accompany the budget at submission, or the budget must be revised.

2.8.4.4 CASH COLLECTION PER CENTRATE⁹

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 1 July.

⁸ Supporting Table SA10 Funding measurement: indicator no. 5

⁹ Supporting Table SA10 Funding measurement: indicator no. 6

It is not permissible to project a collection rate higher than the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.4.5 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE¹⁰

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100per cent and the cash collection rate, but other factors such as past performance can have an influence on it. Excessive differences should be motivated and/or explained in the MTREF budget report.

2.8.4.6 BORROWING AS APERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)¹¹

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the municipality's liability management.

2.8.4.7 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE¹²

The percentage attained should never be less than 100per cent and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.4.8 CONSUMER DEBTORS CHANGE (CURRENT- AND NON-CURRENT)¹³

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic.

Any unacceptably high increase in either current or non–current debtors' balances should be investigated and reported.

2.8.4.9 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL¹⁴

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements.

Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

¹⁰ Supporting Table SA10 Funding measurement: indicator no. 7

¹¹ Supporting Table SA10 Funding measurement: indicator no. 8

¹² Supporting Table SA10 Funding measurement: indicator no. 10

¹³ Supporting Table SA10 Funding measurement: indicator no. 11 and 12

¹⁴ Supporting Table SA10 Funding measurement: indicator no. 13

As a general benchmark the maintenance budget infrastructure assets should be 8 per cent of the asset values (write down values). Currently the ratio is below this and the benchmark should be achieved within the next ten years.

Where the budgeted amounts for repairs and maintenance reflected on Table A9 are less than 8 per cent of the asset value (write down value) of the municipality's Plant Property and Equipment (PPE) as reflected in the municipality's annual financial statements, the municipality must provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan or disclosure of determination of the repairs and maintenance per asset class in the MTREF budget report.¹⁵

Should the municipality receive an audit qualification related to its assets register, where the budgeted amounts for repairs and maintenance reflected on Table A9 are less than 10 per cent of the municipality's operating expenditure on Table A4, the municipality must provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan.¹⁶

2.8.4.10 ASSET RENEWAL/REHABILITATION EXPENDITURE LEVEL¹⁷

This indicator supports further the indicator for repairs and maintenance.

The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement/renewal asset in order to determine whether the renewal program is sufficient or needs revision.

Where the municipality allocates less than 40 per cent of its Capital Budget (as reflected on Table A8) to the renewal of existing assets it must provide a detailed explanation and assurance that the budgeted amount is adequate to secure the ongoing health of the municipality's infrastructure supported by reference to its asset management plan.¹⁸

¹⁵Based on MFMA Circular 55, paragraph 4.2

¹⁶MFMA Circular 55, paragraph 4.2

¹⁷Supporting Table SA10 Funding measurement: indicator no. 14

¹⁸MFMA Circular 55, paragraph 4.2

3. SECTION B: RESERVES POLICY

3.8 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the Institute for Municipal Finance Officers (IMFO) standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

However, the municipality recognises the importance to itself, its creditors, financiers, staff and the general public of providing for a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves.

3.9 LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards themselves do not provide for reserves.

The GRAP “Framework for the Preparation and Presentation of Financial Statements” states in paragraph 91 that such reserves may be created, but “Fund Accounting” is not allowed and any such reserves must be a “legal” reserve, i.e. created by law or Council Resolution.

3.10 TYPES OF RESERVES

Reserves can be classified into two main categories being “cash funded reserves” and “non – cash funded reserves”.

3.10.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

(a) Capital Replacement Reserve (CRR)

The CRR is to be utilised for future capital expenditure from own funds and may not be used for maintenance or other operating expenditure.

The CRR must be cash-backed and the Accounting Officer is hereby delegated to determine the contribution to the CRR during the compilation of the annual financial statements.

(b) Employee benefits reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of employee benefits.

The contributions to the reserve must be made in accordance with the directives set out in this Funding Policy.

(c) Non-current provisions reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non – current provisions.

The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(d) Valuation reserve

The aim of this reserve is to ensure sufficient cash resources are available to undertake a General Valuation as per the Municipal Property Rates Act.

The contribution to this reserve should be approximately 25per cent of the anticipated cost of the General Valuation and the Accounting Officer is hereby delegated to determine this amount annually during the compilation of the annual financial statements.

(e) Other statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

3.10.2 NON – CASH FUNDED RESERVES

On occasion it is necessary to create non – cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

The Accounting Officer is delegated to create reserves for future depreciation offsetting, in the absence of a standard similar to IAS 20.

3.11 ACCOUNTING FOR RESERVES

3.11.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.11.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus.

It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

4. SECTION C: REVIEW OF THE POLICY

This Funding and Reserves Policy is the only policy of the municipality and replaces any past policies in this regard. Any revision of this policy must be approved by Council.

This policy must be reviewed and submitted for consideration by Council on an annual basis. Such submission must be accompanied with a full description of the reasons for the change to the policy.

APPENDIX A

RECONCILIATION OF CASH REQUIREMENTS

Cash flow from operating activities	R XX
Add : Depreciation from own funds	R XX
Add : Contribution to current provisions	R XX
Add : 20% of prior year non – current provisions balance	R XX
Add : 5% of prior year non – current employee benefits balance	R XX
Add : Contribution to Valuation reserve	R XX
Add : Unspent conditional grants	R XX
Add : Unspent public contributions	R XX
Add : Unspent borrowings	R XX
Add : VAT due to SARS	R XX
Add : Secured investments	R XX
Add : Cash portion of Statutory Reserves	R XX
Add : Working Capital Requirements	R XX
= Minimum Cash Surplus Requirements for the year	R XX

KNYSNA MUNICIPALITY



KNYSNA
Municipality Munisipaliteit uMasipala

PROPERTY RATES POLICY

Effective from 1 July 2014

PROPERTY RATES POLICY:
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KNYSNA MUNICIPALITY

PROPERTY RATES POLICY 2013/14

1. BACKGROUND

In 2011, the Knysna Municipality initiated a process to prepare a General Valuation Roll of all property situated within the geographical boundaries of the municipality in terms of the Local Government: Municipal Property Rates Act, 6 of 2004 (MPRA), which became operative on 2 July 2005. This policy is formulated in terms of section 3 of the MPRA.

2. LEGISLATIVE CONTEXT

2.1 In terms of section 229 of the Constitution, a municipality may impose rates on property.

2.2 In terms of section 4(1)(c) of the Local Government: Municipal Systems Act, 32 of 2000 (MSA), a municipality has the right to finance the affairs of the municipality by imposing, inter alia, rates on property.

2.3 In terms of section 2(1) of the MPRA, a municipality may levy a rate on property in its area in accordance with the other provisions of the MPRA.

2.4 This policy must be read together with, and is subject to the provisions of the MPRA and the Knysna Municipality Rates By-Law.

2.5 In terms of Section 8(1) of the MPRA, the Municipality is levying rates on the use of the property.

3. DEFINITIONS

In addition to the definitions contained in the MPRA and the Rates By-Law, the following words and phrases bear the meanings assigned to them below:

“Act” means the Local Government Municipal Property Rates Act, 2004 (No.6 of 2004);

“Agricultural” means a farm registered as such for income tax purposes in the current year.

“Green rebate” means a rebate, granted by Council on a property or residential estate situated outside of the urban edge as defined in the Knysna Spatial Development Framework and which has a management plan to manage and eradicate alien vegetation and which encourages the retention of the unique natural economy and environment that is Knysna.

“Heritage” means a property containing a building or other heritage resource of national, provincial, or municipal significance.

“Major accommodation establishment” means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering accommodation on a regular, seasonal and continuous basis where the total number of lettable bedrooms exceeds eight or the property offers restaurant and/or bar and/or conference facilities.

“Market value”, in relation to a property, means the value of the property determined in accordance with section 46 of the Act;

“Minor accommodation establishment” means a facility that provides for lettable residential and non-residential units or homes, holiday or self-catering accommodation on a regular, seasonal and continuous basis in addition to its primary use for a single family residence where the number of lettable bedrooms does not exceed eight.

“Naturally Knysna incentive rebate” means a rebate granted by Council on an industrial or commercial property, the purpose of which is to incentivise the movement of business to support the principles embodied in the initiative that is naturally Knysna.

“New Business incentive rebate” means a rebate granted, on an inclining scale, on a property used for a new business brought to the area.

“Non-residential” means all property other than those defined as residential.

“Permitted use”, in relation to a property, means the limited purposes for which the property may be used in terms of –

- (a) any restrictions imposed by-
 - (i) a condition of title;
 - (ii) a provision of a town planning or land use scheme; or
 - (iii) any legislation applicable to any specific property; or
- (b) any alleviation of any such restrictions;

“Property” means-

- (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;
- (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;
- (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation;

“Protected area” means an area that is listed in the register referred to in section 10 of the National Environmental Management: Protected Areas Act 2003.

“Public Benefits Organisation” means an organisation conducting specified public benefit activities as defined in the Act and registered in terms of the Income Tax act for tax reductions because of those activities.

“Public Service Infrastructure” means publicly controlled infrastructure (as defined in the MPRA) may not be rated on the first 30% of market value in terms of section 17(1)(a) of the MPRA.

“Residential” means improved property that is:

Used predominantly (60% or more) for residential purposes, with not more than two dwelling units per property, and includes any adjoining property registered in the name of the same owner and used together with such residential property as if it were one property. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes), or

A unit registered in terms of the Sectional title Act, used predominantly (60% or more) for residential purposes, and includes any unit in the same Sectional Title Scheme registered in the name of the same owner which used together with the residential unit as if it were one property, for example a garage or domestic workers quarters. (Any such grouping shall be regarded as one residential property for rate rebate or valuation reduction purposes and for clearance application purposes), or

Owned by a share-block company and used predominantly (60% or more) for residential purposes, or

Retirement schemes and life right schemes used predominantly (60% or more) for residential purposes.

“Rural” means a property previously defined for rates purpose as agricultural but used predominantly for residential purposes.

“State-owned” means property owned by the State, which are not included in the definition of public service infrastructure in the Act. These properties are classified as follows:

- (a) State properties that provide local services
- (b) State properties that provide regional/municipal district-wide/metro-wide services.
- (c) State properties that provide a provincial/national service.

4.PRINCIPLES

The following principles ensure that the municipality treats persons liable for rates equitably:

- Equity

The municipality will treat ratepayers with similar properties in a like manner

- Affordability

The ability of a person to pay rates will be taken into account by the municipality. The municipality may provide relief measures through specified exemptions, reductions or rebates to the poor or indigent as defined in Council's Indigent policy.

The Municipality may:-

- levy different rate tariffs on different categories of properties,
- exempt a specific category of property from payment of rates,
- grant a rebate on, or a reduction in, the rate payment.

Council also pledges itself to limit each maximum annual increase, as far as is practicable, to the increase stipulated by National Treasury in the appropriate annual Budget Circular except when the approved integrated development plan of Council requires a greater increase or there has been a significant change in the valuation of a property.

5. CATEGORIES OF PROPERTY

Properties will be categorised as follows:-

Categories as per the Property Rates Policy

- (a) Residential
- (b) Non-residential
- (c) Minor Accommodation Establishments
- (d) Major Accommodation Establishments
- (e) Agricultural
- (f) Rural used for-
 - (i) residential purposes;
 - (ii) non-residential purposes;
 - (iii) minor accommodation establishments;
 - (iv) major accommodation establishments.
- (g) Government
- (h) Municipal
- (i) PublicOpenSpacesandPrivateOpenSpaces
- (j) Public service infrastructure
- (k) Protected areas.
- (l) Properties owned by public benefit organisations.
- (m) Properties used for multiple purposes
- (n) Heritage areas
- (o) Properties-
 - (i) acquired through Provision of Land and Assistance Act, 1993 (No 126 of 1994) or the Restitution of Land Rights Act, 1994 (No 22 of 1994); or
 - (ii) subject to the Communal Property Associations Act, 1996 (No 28 of 1996).
- (p) Vacant Land-
 - (i) Domestic;
 - (ii) Business;
 - (iii) Domestic Non Urban
- (q) Such other property as Council may from time to time identify.

Categories as defined in the General Valuation Roll with Category Numbers

- (a) Improved Residential (8001)
- (b) Business (8003)
- (c) Accommodation 1-8 Rooms (8030)
- (d) Accommodation 9+ (8031)
- (e) Agricultural (8008)
- (f)
 - (i) Non Urban Domestic (8051);
 - (ii) Business (8003);
 - (iii) Accommodation 1-8 Rooms (8030);
 - (iv) Accommodation 9+ (8031).
- (g) State (8007)/Vacant State (8041) Land
- (h) Municipal Buildings (8004)
- (i) PublicOpenSpaces (8006)andPrivateOpenSpaces (8005).
- (j) PSI (8011).
- (k) Non Urban Domestic (8051).
- (l) Public Benefit Organisation (8015)
- (m) Non Urban Domestic (8051)
- (n) Non Urban Domestic (8051)
- (o) Properties-
 - (i) Acquired through Provision of Land and Assistance Act, 1993 (No126of 1994) or the Restitution of Land Rights Act, 1994 (No 22 of 1994); or
 - (ii) subject to the Communal Property Associations Act, 1996 (No 28 of 1996).
- (p) Vacant Land-
 - (i) Domestic (8034, 8035, 8036)
 - (ii) Business (8040)
 - (iii) Domestic Non Urban (8035)
- (q) Such ot her property as Council

6. EXCLUSION OF RATEABLE PROPERTY FROM THE PAYMENT OF RATES

The following properties will be excluded from the payment of rates:-

- properties of which the municipality itself is the owner:-
- public service infrastructure:-
- rights registered against immovable property in the name of a person:-
- land owned by a registered religious body or organisation, and exclusively used as a place of assembly for public worship:-
- properties registered or recognised as private nature reserves in terms of relevant legislation, which are not developed or used for commercial, business, agricultural or residential purposes.

7. DIFFERENTIAL RATE TARIFFS

7.1 GENERAL

The following may be taken into consideration in determining differential rate tariffs:

- The use of the property.
- The rural area where the property is situated.
- The nature of the property including the impact of rates on its operations eg agricultural properties used for farming purposes.
- The promotion of social and economic development of the municipality.

7.2 MULTI USE PROPERTIES

Property tax on properties used for multiple purposes will be determined by:

Apportioning the market value of the property to the different purposes for which the property is used.
Applying the relevant rate tariff to the corresponding market value.

8. RELIEF MEASURES RELATED TO CATEGORIES OF PROPERTIES

NOTE: IN ADDITION TO WHAT IS SET OUT BELOW, COUNCIL MAY ANNUALLY DETERMINE A BASE VALUE WHICH WILL BE DEDUCTED FROM THE MARKET VALUE SHOWN ON THE VALUATION ROLL, IN COMPUTING THE RATE LIABILITY.

8.1 CRITERIA FOR EXEMPTIONS, REBATES AND REDUCTIONS

The following will be taken into consideration for the purpose of granting exemptions, rebates and reductions:

- Indigent status of the owner of a property.
- Nature, amount and source of income of the owner of a property. (eg pensions & social grants)
- Market value of residential property below a determined threshold.
- Social or economic conditions of the area where the owners of property are located e.g. an area declared by the national or provincial government to be a disaster area within the meaning of Disaster Management Act, 2002 (Act.57 of 2002)
- Retention and restoration of conservation worthy buildings.
- Owners of agricultural properties who are registered with the Receiver of Revenue as *bona fide* farmers.
- The need to preserve the unique natural environment that is Knysna.
- The requirements of the Property Rates Act no 6 of 2004.

9. SPECIAL CASES

9.1 PUBLIC BENEFIT ORGANISATIONS

Taking into account the effects of rates on Public Benefit Organisations performing a specific public benefit activity and registered in terms of the Income Tax Act for tax reduction because of those activities, it is proposed that Public Benefit Organisations (PBOs) performing the following specified public benefits activities will be granted a rebate of 75%.

- Welfare and humanitarian, such as providing disaster relief.
- Health Care, such as the counselling, care and treatment of persons (and their dependants) afflicted with HIV and AIDS.

9.2 PUBLIC SERVICE INFRASTRUCTURE

All public service infrastructure providing essential services to the community shall be exempted from the payment of rates.

9.3 STATE PROPERTIES

State properties (eg Schools, clinics, police stations etc.) that provide local services are exempted from rates to the extent of 20% of its value.

9.4 RELIGIOUS ORGANISATIONS

The official residence registered in the name of a religious community and occupied by a full time office bearer shall be exempt from rates.

10. REBATES AND GRANTS

Rebates for the following categories of properties may be considered:

- (a) Residential properties (including flats and sectional title units)
- (b) Agricultural properties
- (c) Protected areas

- (a) State owned properties
- (b) Heritage areas
- (c) Rural properties as defined
- (d) Properties used for businesses purposes where the owner of the business is new to the municipality or the nature of the business is new to the municipality. The rebate will be applied on a sliding scale as follows:

100% in year 1,
75% in year 2,
50% in year 3, after which the rebate falls away.

Over and above the determinations contemplated in section 17(1)(h) of the Act owners of property who depend on pensions or social grants for their livelihood may qualify for a rebate as determined by Council's Indigent policy.

11. CRITERIA FOR INCREASING RATE TARIFFS

The following will be taken into account for the purpose of increasing/decreasing rates:

- Priorities of a municipality reflected in its Integrated Development Plan.
- The revenue needs of the municipality.
- Affordability of rates to ratepayers.

11.1 The municipality will consider the imposition of rates annually during the budget process.

11.2 All increases in property rates will be communicated to the community in terms of Section 21 A of the Municipal Systems Act (Act no. 32 of 2000).

12. REDUCTIONS IN MARKET VALUES

- (1) A reduction in the municipal valuation as contemplated in section 15 (1) (b) of the Act, may be granted where the value of a property is affected by fire damage, demolition or flood.
- (2) The reduction will be granted by the Chief Financial Officer only after a valuer has carried out an inspection of the property concerned.

13. LIABILITY FOR RATES

(1) Annual Payment Arrangements

By prior arrangement Knysna Municipality will recover the rates levied in a single amount, which is due on or before 31 July of the year in which it is levied. Applications must be submitted before 31 May for this option however the the Chief Financial Officer may consider any applications after this date on merit.

(2) Method and time of payment

Knysna Municipality will recover the rates levied in periodic instalments of equal amounts over twelve months. The instalment is payable on or before the last working day of every month, following the month in which it has been levied. Interest will be charged at 1% above the prime interest rate for any late payments received.

(3) Recovery of arrear rates from tenants, occupiers and agents

If an amount due for rates levied in respect of a property is unpaid after the day determined, the municipality may recover the amount in whole or in part from a tenant or occupier of the property. The amount the municipality might recover from the tenant or occupier of the property is limited to the amount of the rent or other money due and payable by the tenant or occupier to the owner of the property. Any amount the municipality recovers from the tenant or occupier of the property may be set off, by the tenant or occupier, against any money owed by the tenant or occupier to the owner.

The municipality may recover the amount due for rates from an agent of the owner after it has given written notice to that agent or person. The amount the municipality may recover from the agent or other person is limited to the amount of rent received by the agent or person, less the commission due to that agent or person, subject to the Estate Agents Act, 1976 (Act No. 112 of 1976). The agent or other person must, on request by the municipality, furnish the municipality with a written statement specifying all payments for rent on the property received by that agent or person during a period determined by the municipality.

(4) Ownership

Properties, which vest in the municipality during developments, i.e. open spaces and roads, will be transferred at the cost of the developer to the municipality. Until such time, rates levied will be for the account of the developer.

(5) Interim Valuation Debits

In the event that a property has been transferred to a new owner and rates emanating from a supplementary valuation become due and payable, the previous owner as well as the new owner will be held jointly and separately responsible for the settlement of the interim rates account.

(6) Developments

The developer of a property will be liable for all rates raised on the development until the individual units are transferred to the new owners including properties which must be transferred to the municipality in terms of the land use ordinance and development agreement.

(7) Clearance Certificate

Rates Clearance Certificates will be valid till 30 June if monies have been paid in full until such date. However, should attorneys request to extend the certificate for 120 days beyond this date, and this extension of time surpasses the date of 30 June, the new year's rates become payable in full.

No Clearance Certificates will be issued if there are any outstanding amounts on a sellers municipal account.

(8) Levying of rates on property in sectional title schemes

A rate on property, which is subject to a sectional title scheme, will be levied on the individual sectional title units in the scheme. However, in valuing the sectional title unit there shall be included in that value the owners proportionate share of the value of the common use areas such as gardens, roads, swimming pools, passages etc.

14. COSTS OF EXEMPTIONS, REBATES AND REDUCTIONS

- (1) During the budget process the Chief Financial Officer must inform Council of all costs associated with exemptions, rebates and reductions.
- (2) Provision must be made on the operating expenditure budget for:
 - (a) the full potential income associated with property rates; and
 - (b) the full costs associated with exemptions, rebates and reductions.

15. LOCAL, SOCIAL AND ECONOMIC DEVELOPMENT

- (1) The municipality may grant rebates to organisations that promote local, social and economic development based on the criteria determined in its local, social and economic development policy(s). The following criteria will apply:
 - (a) job creation in the municipal area;

- (b) social upliftment of the local community; and
 - (c) creation of infrastructure for the benefit of the community.
- (2) Rebates may be granted up to 100% of the rates payable and must be phased out within 3 years from the date that the rebate was granted for the first time.

16. REGISTER OF PROPERTIES

The Chief Financial Officer must cause to have drawn up and maintain a register of properties as contemplated as section 23 of the Act.

17. NOTIFICATION OF RATES

- (1) Council will give notice of all rates approved at least 30 days prior to the date that the rates become effective. Accounts delivered after the 30 days notice will be based on the new rates.
- (2) A notice stating the purport of the Council resolution, date on which the new rates shall become operational will be displayed by the municipality at places installed for that purpose.

18. CORRECTION OF ERRORS AND OMISSIONS

Where the rates levied on a particular property have been incorrectly determined, whether because of an error or omission on the part of the municipality or false information provided by the property owner concerned or a contravention of the permitted use to which the property concerned may be put, the rates payable shall be appropriately adjusted for the period extending from the date on which the error or omission is detected back to the date on which rates were first levied in terms of the current valuation roll. In addition, where the error occurred because of false information provided by the property owner or as a result of a contravention of the permitted use of the property concerned, interest on the unpaid portion of the adjusted rates payable shall be levied at the maximum rate permitted by prevailing legislation.

19. FREQUENCY OF VALUATIONS

The municipality shall prepare a new valuation roll from time to time and a supplementary valuation roll at least once a year.

20. SHORT TITLE

This policy is the Property Rates Policy of the Knysna Municipality.

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KNYSNA MUNICIPALITY



TARIFF POLICY

Effective from 1 July 2014

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1. OBJECTIVE

The objectives of this policy are to ensure that-

- all consumers within a specific category are treated equally and reasonably;
- to optimally safeguard the income base of the municipality only by approving exemptions, reductions and rebates that are reasonable and affordable.
- to support the principles supporting the Councils Mission, Vision and IDP.
- municipal tariffs are set in a manner that promotes the provision of reliable, sustainable and affordable services to all.

2. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

“availability tariff” means where properties are not connected to the municipal infrastructure but can reasonably be connected to the service;

“basic charge” also referred to as a minimum charge is the recovery of the distribution and billing-related costs, which include having a distribution system in place, plus the cost of the meter, servicing and reading the meter, mailing the bills and maintaining customer records.

“business” means the activity of buying, selling or trading in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of agriculture, farming or, inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms;

"commercial or industrial consumers" means industrial undertakings, factories, warehouses, workshop, scrap yards, wine cellars, abattoirs, dairy processing plants, fish markets and suchlike consumers;

"community service" means services in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;

"consumer" means the owner of a premises, regardless of whether it is domestic, commercial industrial or any other type who has entered into an agreement with the Municipality for the supply of a service. A consumer must only be the owner and not a tenant or lessee;

"the council" means Knysna Municipal Council, and "municipal council" shall have a corresponding meaning;

"domestic consumers" means residential properties, group housing, town houses, semi-detached houses and suchlike properties;

"due date" –

- (a) in relation to accounts payable monthly on a recurring basis, the last day of the month which follows on the month during which an account is rendered;
- (b) in relation to accounts payable annually, 31st July unless otherwise provided by any other law; and
- (c) in all other instances, as and when demand for payment is made by the Municipality;

"economic services" means services in respect of which the tariffs are set at a level that the total costs of the services are recovered from customers;

"educational institutions" means schools and suchlike institutions;

"fixed costs" means costs which do not vary with consumption or volume produced

"indigent households" means households that are registered at the municipality as such and meet the municipality's criteria in terms of its credit control and debt collection policy and occupying a property within the jurisdiction of the municipality and "poor households" shall have a corresponding meaning;

"MFMA" means the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003);

"minimum charge" shall refer to the minimum amount payable by the consumer in respect of a particular service irrespective of the extent to which the service is used during any given period of time.

"MSA" means the Local Government: Municipal Systems Act, 2000 (Act no 32 of 2000);

"MSAC" means the Municipal Services Accessibility Charge levied as a charge to prepaid consumers on the Government Housing Scheme 20 Amp circuit breaker; and/or domestic 30 Amp or 60 Amp circuit breaker; where no account for services is rendered.

"owner" in relation to a property, means the person in whose name the property is registered in the Deeds Registry and such owner's successors;

"public benefit organisations" means public benefit organizations as defined in Section 30 of the Income Tax Act No 58 of 1962;

"resident" means a person who ordinarily resides in the municipal area;

"service charge" means the charge levied for the provision of a service on a daily, monthly or annual basis.

"special agreements" means special tariff agreements entered into with categories of consumers making significant economic contributions to the community and create job opportunities;

"sport and recreation facilities" means properties used exclusively for sport and recreation purposes including school sport fields which are metered separately for water and electricity consumption;

"total cost" means the sum of all fixed and variable costs associated with a service;

"trading services" means services referred to in paragraph 5(1)(a) and in respect of which the tariffs are set at a level that the Council makes a profit on the delivery of the services;

"units consumed" means the number of units consumed of a particular service and are measured in terms of the tariff structure reflected in paragraph 7;

"variable costs" means costs that vary with consumption or volume produced

"VAT" means Value-Added Tax in terms of the Value-Added Tax Act, 1991, as amended;

3. ABBREVIATIONS

Kg – Kilogram

Kl – Kiloliter 1000 litres

kVa – KiloVolt Ampere

kWh – Kilowatt Hour

m³ - Cubic meter

4. PURPOSE OF THIS POLICY

(1) The Knysna Municipality wishes to achieve the following objectives by adopting this tariff policy:

- (a) To comply with the provisions of section 62 (1)(f) of the MFMA.
- (b) To comply with the provisions of section 74 of the MSA.
- (c) To prescribe procedures for calculating tariffs where the municipality wishes to appoint service providers in terms of section 76(b) of the MSA.
- (d) To give guidance to the Executive Mayor regarding tariff proposals that must be submitted to the council annually during the budget process.

5. TARIFF PRINCIPLES

- (1) In setting its annual tariffs the council shall at all times take due cognisance of the tariffs applicable elsewhere in the economic region, and of the impact which its own tariffs may have on local economic development.
- (2) The Municipality wishes to record that the following tariff principles will apply:
 - (a) Service tariffs imposed by the municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a relevant criterion (except in the case of the relief measures for poor households and deserving categories of users approved by the municipality from time to time).
 - (b) The municipality shall ensure that its tariffs are uniformly and fairly applied throughout the municipal region.
- (3) Tariffs for the two major services rendered by the municipality, namely:
 - (a) electricity
 - (b) water

shall as far as possible recover the expenses associated with the rendering of each service concerned. The tariff, which a particular consumer or user pays shall therefore be directly related to the standard of service received and the quantity of the particular service used or consumed.

- (4) The municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the two major services generate an operating surplus each financial year of 10% or such percentage as the council may determine at the time that the annual operating budget is approved. Such surpluses shall be applied in relief of property rates and for the partial financing of general services or for the future capital expansion of the service concerned, or both. .
- (5) In line with the principles embodied in the Constitution and in other legislation pertaining to local government, the municipality may differentiate between different categories of users and consumers in regard to the tariffs which it levies. Such differentiation shall, however, at all times be reasonable, and shall be fully disclosed in each annual budget.
- (6) The municipality's tariff policy shall be transparent, and the extent to which there is cross-subsidisation between categories of consumers or users shall be disclosed to users.
- (7) The municipality shall ensure that its tariffs shall be readily understandable by all users affected by the tariff policy.

- (8) The municipality undertakes to render its services cost effectively in order to ensure the best possible cost of service delivery.
- (9) The consumption of such services shall be properly metered by the municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis. The charges levied on consumers shall be proportionate to the quantity of the service which they consume.
- (10) The municipality shall levy monthly availability charges for the services concerned, and these charges shall be fixed for each type of property as determined in accordance with the detailed policies set out below. Generally, consumers of water and electricity shall therefore pay two charges: one, relatively minor, which is unrelated to the volume of consumption and is levied because of the availability of the service concerned; and another directly related to the consumption of the service in question.
- (11) In considering the costing of its water, electricity and sewerage services, the municipality shall take due cognisance of the high capital cost of establishing and expanding such services, and of the resultant high fixed costs, as opposed to variable costs of operating these services. The municipality therefore undertakes to plan the management and expansion of the services carefully in order to ensure that both current and reasonably expected future demands are adequately catered for, and that demand levels which fluctuate significantly over shorter periods are also met. This may imply that the services may at times or for certain periods operate at less than full capacity, and the costs of such surplus capacity must also be covered in the tariffs which are annually levied.
- (12) The Municipality shall, by adopting what is fundamentally a two-part tariff structure, namely a fixed minimum charge coupled with a charge based on consumption, endeavour to address the demands which both future expansion and variable demand cycles and other fluctuations will make on service delivery.
- (13) Part of the municipality's tariff policy for electricity services will be to ensure that those consumers who are mainly responsible for peak demand, and therefore for the incurring by the municipality of the associated demand charges from Eskom, will have to bear the costs associated with these charges. Such consumers shall therefore pay the relevant demand charge as well as a service charge directly related to their actual consumption of electricity during the relevant metering period.
- (14) A property used for multiple purposes must, for purposes of these tariffs be assigned to a category determined by the council for properties used for a purpose corresponding with the dominant use of the property if the Municipality cannot readily make an apportionment in relation to the services concerned and the categories of users.

- (15) In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time. The level of the deposits shall be revised annually depending on the defaults instances.

6. CATEGORIES OF CONSUMERS

- (1) Separate tariff structures may be imposed for the following categories of consumers (which the council may change) :
- (a) domestic consumers;
 - (b) commercial consumers;
 - (c) industrial consumers;
 - (d) agricultural consumers;
 - (e) municipalities;
 - (f) consumers with whom special agreements were made;
 - (g) consumers in certain geographical areas;
 - (h) sport and recreation facilities
 - (i) educational institutions; and
 - (j) public benefit organisations and suchlike institutions.
- (2) Where substantially different demands are made on the infrastructure to provide a service to a specific group of users within a category or the standard of services required by such users, the Council may, after having considered a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- (3) The differentiation must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.
- (4) If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Chief Finance Officer shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

7. SERVICE AND EXPENDITURE CLASSIFICATIONS

Service classification

- (i) The Chief Financial Officer may, subject to the guidelines provided by the National Treasury and the Executive Mayoral Committee of the council, make provision for the following classification of services.

(a) Trading services

Water.

Electricity.

(b) Economic services

Solid waste.

Waste water.

(c) Community services

(i) Air pollution.

(ii) Fire fighting services.

(iii) Local tourism.

(iv) Town planning.

(v) Municipal public works, only in respect of the needs of municipalities in the discharge of their responsibilities and to administer functions specially assigned to them under the Constitution or any other law.

(vi) Stormwater management system in built-up areas.

(vii) Trading regulations.

(viii) Fixed billboards and the display of advertisements in public places.

(ix) Cemeteries.

(x) Control of public nuisances.

(xi) Control of undertakings that sell liquor to the public.

(xii) Facilities for accommodation, care and burial of animals.

(xiii) Fencing and fences.

(xiv) Licensing and control of undertakings that sell food to the public.

(xv) Local amenities.

(xvi) Local sport facilities.

(xvii) Municipal parks and recreation.

(xviii) Municipal roads.

(xix) Noise pollution.

(xx) Pounds.

(xxi) Public places.

(xxii) Street trading/street lighting.

(xxiii) Traffic and parking.

(xxiv) Building control.

(xxv) Licensing of motor vehicles and transport permits.

(xxvi) Nature reserves.

(b) Subsidised services

(i) Libraries and museums.

(ii) Proclaimed roads.

(iii) Street lights

Expenditure classification

(i) Expenditure will be classified in the following categories.

(b) Subjective classification:

(i) Salaries, wages and allowances;

(ii) Bulk purchases;

(iii) General expenditure;

(iv) Repairs and maintenance;

(v) Capital charges (interest and redemption)/depreciation;

- (vi) Contribution to fixed assets;
- (vii) Contribution to funds:
 - (a) Bad debts;
 - (b) Working capital; and
 - (c) Statutory funds.
- (viii) Contribution to reserves;
- (ix) Gross expenditure;
- (x) Less charge-out;
- (xi) Net expenditure;
- (xii) Income; and
- (xiii) Surplus/Deficit.

(c) Objective classification:

- (i) Cost centres will be created to which the costs associated with providing the service can be allocated:
- (ii) Department.
- (iii) Section/service.
- (iv) Division/service.
- (v) The subjective classification of expenditure each with a unique vote will be applied to all cost centres.

Cost elements

- (a) The following cost elements will be used to calculate the tariffs
 - (i) Fixed costs which consist of the capital costs (interest and redemption) on external loans as well as internal advances and or depreciation whichever are applicable and any other costs as determined by the Council from time to time.
 - (ii) Variable cost: This includes all other variable costs.
 - (iii) Total cost: consist of the fixed cost and variable cost.

8. TARIFF TYPES

In determining, the type of tariff applicable to the type of service the municipality shall make use of the following options or a combination of the same.

Single tariff:

This tariff shall consist of a cost per unit consumed.

Cost related two to three part tariff: electricity

This tariff shall consist of two to three parts. Management, capital, maintenance and operating costs will be recovered by grouping certain components together e.g. management, capital and maintenance costs may be grouped together and be recovered by a fixed charge, independent of consumption for all classes of consumers, while the variable costs may be recovered by a unit charge per unit consumed. Three part tariffs will be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

Inclining block tariff: electricity

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase. This tariff will only be used to subsidised free basic services and to prohibit the exorbitant use of a commodity. The first step in the tariffs will be calculated at break-even point. Subsequent steps will be calculated to yield profits and to discourage excessive use of the commodity.

Declining block tariff: electricity

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase. The first step will be calculated by dividing the fixed and variable cost and profit determined by council from time to time by the volume consumed. This tariff will only be used for special agreements.

Regulating tariff: electricity

This tariff is only of a regulatory nature and the municipality may recover the full or a portion of the cost associated with rendering the service.

Time-of-use tariff: electricity

This tariff is based on fixed charges and seasonally and time differentiated energy and demand charges.

9. TARIFF STRUCTURES AND METHODS OF CALCULATIONS

Calculation of Tariffs for Major Services

In order to determine the tariffs, to be charged for the supply of water and electricity, the municipality shall endeavour to include a least the operational costs of the undertakings concerned.

To determine the **basic or minimum charge** the following categories within the operating budget will be included as a basis for calculation.

- Capital costs (interest on loans)
- Maintenance of infrastructure and other fixed assets
- Salary costs
- Depreciation expenses.

To determine the **unit charge** the following categories within the operating budget will be used as a basis for calculation

- Cost of bulk purchases in the case of electricity.
- Distribution costs. (General Expenses)
- Distribution losses.
- Administration and service costs, including:

- (i) service charges levied by other departments such as finance, human resources and legal services;
- (ii) reasonable general overheads, such as the costs associated with the office of the municipal manager;
- (iii)adequate contributions to the provisions for bad debts and obsolescence of stock;
- (iv)all other ordinary operating expenses associated with the service concerned including, in the case of the electricity service, the cost of providing street lighting in the municipal area.

The intended surplus to be generated for the financial year, such surplus to be applied:

- (i) as an appropriation to capital reserves; and/or
- (ii) generally in relief of rates and general services.
- (iii)The cost of approved indigency relief measures.

The municipality shall provide the first 50kWh of electricity per month to prepaid consumers on an electrification scheme 20 Amp circuit breaker. The municipality shall further consider relief in respect of the tariffs for sewerage, water and refuse removal for such registered indigents to the extent that the council deems such relief affordable in terms of each annual budget.

Multiple step including block tariffs are utilised to enable the consumer to exercise control over the cost to themselves.

The following tariff structure will, where possible, be used to determine tariffs:

Water

(a)Fixed costs plus rising block tariffs will apply to all consumers excluding:

- (i) Industrial and commercial consumers.
- (ii) Domestic consumers.
- (iii)Schools.
- (iv)Sports Bodies.
- (v) Old Age Homes.
- (vi)Municipal Buildings.
- (vii) Farms.

The following blocks will apply:

Normal Domestic Steps
0 – 6 Kl
7 – 10 Kl
11 – 20 Kl
21 – 30 Kl
31 – 40 Kl
Greater than 40 Kl

(b) Method of calculation

- (i) Domestic consumers using less than the applicable minimum per month will receive the appropriate 6 Kl free water.
- (ii) The fixed costs of the service shall consist of the costs indicated as such by the council.
- (iii) The number of users and estimated volume consumed per category will be used to determine the fixed tariff per category.
- (iv) Where properties are not connected to the water service but can reasonably be connected to the service an **availability tariff** will be payable.
- (v) Where council decide to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.

Electricity

(a) Tariff structure

- (i) Maximum demand (kVA) plus fixed tariff plus kWh consumed.
- (ii) Fixed tariff plus kWh consumed.
- (iii) Unit tariff (KWh consumed) (Pre-payment meters).

(b) Method of calculation

- (i) Guidelines issued by the National Electricity Regulator from time to time will form the basis of calculating tariffs.
- (ii) To recover the capital cost of supplying electricity through a fixed charge will make electricity unaffordable to many low consumption users. Cross subsidisation between and within categories of consumers will be allowed based on the load factors of the categories and consumers within the category. Portions of the fixed costs will be recovered through an energy or time-of-use charge. To apply the abovementioned principle the cost allocation basis, cost groupings, tariff components and tariff types reflected in the following tables will be used.

Cost groupings	Underlying cost-allocation bases		
	Capacity costs: expressed as Rands/kVa /month	Variable costs: expressed as Cents/kWh	Customer specific costs: expressed as rands /customer/month
Purchase cost	√	√	
Capital costs	√	√	√
Support costs	√		√

	Tariff components			
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Tariff types	Fixed charge (rands/customer/ month)	Energy charge (cents/kWh)	Time-of-use energy charge expressed as (cents/kWh)	Capacity charge expressed as (rands/kVa/ month)
One-part single energy rate tariff (Lifeline tariff)		√		
Two-part tariff	√	√		
Two-part time- of-use tariff	√		√	
Three-part tariff	√	√		√
Three-part time-of-use	√		√	√

(iii) The one-part single energy rate tariff:

1. For the one-part single energy rate tariff, all costs are expressed in a single cents/kWh charge. The recommended methodology for allocating costs into this tariff is as follows:
2. The rands/kVa/month cost must be allocated into a cents/kWh charge through consideration of the average load factor of the types of customer who are likely to use the one-part single energy rate tariff.
3. The rands/customer/month fixed cost should also be allocated into the cents/kWh charge and allocated to the kWh purchase costs in such a way as to ensure that at a level of monthly consumption of 400 kWh, the full amount of the fixed costs would have been recovered through the cents/kWh charge.

(iv) The two-part tariff:

1. The rands/kVa/month charge must be allocated into a cents/kWh charge through consideration of the average load factor of the types of customer who are likely to choose the two-part tariff. This reallocated charge must then be added to the kWh purchase charge.
2. The rands/customer/month charge is not reallocated into other tariff elements.
3. The tariff then consists of a fixed monthly charge plus a variable charge related to metered kWh consumption.

(v) The two-part time-of-use tariff:

1. The rands/kVa/month charge must be reallocated into different time-of-use cents/kWh charges through consideration of the load curve of the customer in relation to the load curve of the supplier. Such reallocated charges must then be added to the kWh purchase charges, as appropriate.

2. The rands/customer/month charge is not reallocated.
- (vi) The three-part tariff:
1. The rands/kVa charge recovers the capital cost elements. Some of this cost must be reallocated into different tariff elements.
 2. The cents/kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands/kVa costs.
 3. The rands/customer/month charge is not reallocated.
- (vi) The three-part time-of-use tariff:
1. As with the standard three-part tariff, a portion of the rands/kVa/month charge is reallocated into the various time-of-use cents/kWh charges. The amount of the reallocation takes place with regard to the customer's load factor. The time-variation of the capacity costs is taken into account in the reallocation of the rands/kVa charge into the various time-of-use cents/kWh charges.
 2. The cents/kWh charge therefore recovers the full variable costs as well as a portion of the reallocated rands/kVa charges.
 3. The rands/customer/month charge is not reallocated.

Where council decides to make a profit on the service the profit will be added to the fixed and variable cost before tariffs are calculated.

Where properties are not connected to the electricity service but can reasonably be connected to the service an availability tariff will be payable. The Town Electrical Engineer will annually determine the tariff.

Solid Waste (Refuse removal)

(a) Tariff structure

- (i) 50% charged by means of a rate in the rand and the remaining 50% by means of a basic charge
- (ii) Plastic bags per week (volume 85 litre per bag)
- (iii) Containers per week / Wheelie Bin (volume 240 litre)
- (iv) Bulk Container (volume 1100 litre)
- (v) Bulk Container (volume 770 litre)
- (vi) Tonnage charge

(a) Method of calculation

- (i) The costs per unit of measurement will be determined by dividing the total costs of the service by the total volume of refuse disposed of during the year. The total cost of the service includes the removal cost plus the operating cost associated with the service.

- (ii) The cost associated with the removal of bulk containers will be determined by calculating how many of the smallest removal units will be absorbed by a specific container.
 - (iii) A monthly rental for the usage of a bulk container will be determined by discounting the purchase price of a bulk container over 5 years at an interest rate applicable to municipal loans. An additional 15% will be charged as an administration charge
 - (iv) After council has consulted with owners or occupiers of commercial and industrial undertakings which do not make use of the standard black bags or mass containers, tariffs will be determined based on the estimated volume that will be removed per month.
 - (v) Costs for once-off removals will be calculated per truckload.
 - (vi) Private dumping at the disposal site will be allowed after a tariff based on the estimated volume of the dumping has been paid.
 - (vii) A refuse removal tariff will be raised and is payable by all owners or occupiers of each developed property connected to the water and electricity distribution network of the council or any other service provider or those who have applied to be connected whether such owner or occupier uses the refuse removal service or not or those who are not connected to the distribution networks to whom a refuse removal service is rendered on request.
 - (viii) No refuse removal tariffs will be raised in areas where council has not introduced a refuse removal service.
- (b) Reallocation of consumers due to excessive consumption.
- (i) Where a consumer is found exceeding the allowed tariff applicable to their allowed category for a period exceeding three months.
 1. They will be moved to the appropriate corresponding tariff from the beginning of the current financial year.
 2. They may approach Council for reinstatement to the original tariff after a period of 12 months

Waste Water (Sewerage/emptying of conservancy tanks)

- (a) Tariff structure
 - (i) 50% Charged by means of rate in the rand and the remaining 50% charged by means of a basic charge.
 - (ii) Number of properties connected to the sewerage reticulation network.
 - (iii) Volume of tanker vehicle.
 - (iv) Formula driven waterborne tariff included in water tariff.

(b) Method of calculation

- (i) A fixed basic charge will be payable for each property connected to the sewerage reticulation network.
 1. Domestic
 2. Business
- (ii) Where properties are not connected to the sewerage network but can reasonably be connected to the service an **availability tariff** will be payable. The tariff will be calculated by adding a surcharge to the fixed costs applicable to connected consumers per category.
- (iii) An effluent charge will be charged to promote more efficient use of council's sewerage infrastructure.
- (iv) The cost of emptying conservancy tanks will be based on the volume disposed, including an additional charge per kilometre for areas in excess of 10 kilometres from the Treatment Works.
- (v) For the operation of the septic tank effluent drainage system [STED] in Smutsville and Sizamile an annual sewerage charge shall be levied for the effluent discharged into the Council's sewer system.
- (vi) In respect of the vacuum tanker removals from the STED system no charge shall be levied by Council for such service.

Municipal Services Accessibility Charge (MSAC)

This charge is levied on the Government Housing Scheme prepaid 20 amp circuit breaker initially and will be levied and on all 30 amp and 60 amp prepaid meters where a rates account is not levied. It provides for payment for the availability of the services of water and/or sewerage and/or refuse where no account is rendered.

The charge is levied daily at R1.

Calculation of minor tariffs

- (i) All minor tariffs (being tariffs in respect of services and facilities other than the major services referred to in paragraph 3(4)) shall be approved by the council in each annual budget, and shall, when deemed appropriate by the council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot accurately be determined, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.
- (ii) All minor tariffs over which the municipality has full control, and which are not directly related to the cost of a particular service, shall

annually be adjusted at least in line with the prevailing consumer price index, unless there are compelling reasons why such adjustment should not be effected.

- (iii) The following services shall be considered as subsidised services, and the tariffs levied shall cover 50% or as near as possible to 50% of the annual operating expenses budgeted for the service concerned:
 - (iv) burials and cemeteries
 - (v) rentals for the use of municipal sports facilities
- (vi) The following services shall be considered as community services, and no tariffs shall be levied for their use:
 - (a) municipal museum and art gallery
 - (b) disposal of garden refuse at the municipal tip site
 - (c) municipal reference library
 - (d) municipal lending library (except for fines set out below)
- (vii) The following services shall be considered as economic services, and the tariffs levied shall cover 100% or as near as possible to 100% of the budgeted annual operating expenses of the service concerned:
 - (a) maintenance of graves and garden of remembrance (cremations)
 - (b) housing rentals
 - (c) rentals for the use of municipal halls and other premises (subject to the proviso set out below)
 - (d) building plan fees
 - (e) sales of plastic refuse bags
 - (f) sales of refuse bins
 - (g) cleaning of stands
 - (h) electricity, water, sewerage: new connection fees
 - (i) photostat copies and fees
 - (j) clearance certificates for purposes of property transfers
 - (k) town planning fees.
- (viii) The following charges and tariffs shall be considered as regulatory or punitive, and shall be determined at a reasonable level (with due regard to direct and indirect costs involved, need for discouraging undesirable practices and advantages enjoyed by user) in each annual budget:
 - (a) fines for lost or overdue library books
 - (b) advertising sign fees
 - (c) pound fees
 - (d) electricity, water: disconnection and reconnection fees
 - (e) penalty and other charges imposed in terms of the approved policy on credit control and debt collection
 - (f) penalty charges for the submission of dishonoured, stale, post-dated or otherwise unacceptable cheques.

- (ix) Market-related rentals shall be levied for the lease of municipal properties – defined as investment assets.
- (x) In the case of rentals for the use of municipal halls and premises, if the municipal manager is satisfied that the halls or premises are required for non-profit making purposes and for the provision of a service to the community, the municipal manager may allow a discount of 50% on the rental that would otherwise have applied.
- (xi) The municipal manager shall determine whether an indemnity or guarantee must in each instance be lodged for the rental of municipal halls, premises and sports fields, and in so determining shall be guided by the likelihood of the municipality sustaining damages as a result of the use of the facilities concerned.
- (xii) Tariff structure:
 - (a) The unit of measurement as reflected in the separate list of tariffs approved annually will be used to determine regulatory community and subsidised services.
- (xiii) Overdue Amounts
 - (a) The Municipality shall be entitled to levy an administration fee on a month to month basis on all overdue accounts subject to such maximum amount per month as the Council may determine.
 - (b) The Municipality may at its discretion enter into a repayment schedule with a consumer in respect of overdue amounts, which repayment schedule will be incorporated into an acknowledgment of debt in favour of the Municipality and signed by the consumer. Upon signature of such an acknowledgment of debt, the consumer will become liable for payment of an administration fee in such amount as the Council may determine for attending on the debtor and entering into the acknowledgment of debt with the consumer.

10. CAPITAL CONTRIBUTIONS

- (1) For purposes of these tariffs the under mentioned words and expressions shall have the following meanings assigned to them unless the context otherwise requires :
 - (b) "capital contributions", the tariffs payable in respect of the water, electricity, sewerage, stormwater, roads and refuse removal infrastructure of the municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;

11. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES

- (1) The tariffs will be approved as part of the annual budget.
- (2) The tariffs will come into effect as and when determined by the Council.

12. IMPLEMENTATION OF THE POLICY

- (1) The principles contained in this policy will be reflected in the various budget proposals submitted to council on an annual basis, service by-laws as promulgated and adjusted by Council from time to time and the tariff by-laws referred to in section 75 of the Systems Act.
- (2) The council may determine conditions applicable to community service of a regulatory nature. These conditions will be reflected in the standing orders of council.

13. ADJUSTMENT OF ACCOUNTS

- (1) Where incorrect debits were raised, the accounts under query will be rectified as necessary.

14. SHORT TITLE

- (1) This policy is called the Knysna Municipality Tariff Policy.

KNYSNA MUNICIPALITY



SUPPLY CHAIN MANAGEMENT POLICY

Effective from 1 July 2014

PART 1: APPLICATION

1.1 APPLICATION

This SCM Policy is applicable to all Councillors, municipal officials, stakeholders, contractors, suppliers, service providers and any other party doing business with the Municipality.

1.2 MAINTENANCE

This SCM Policy is subject to review every year, and being updated as and when required. Amendments emanating from review and updating processes will be issued under cover of a supplementing SCM Instruction.

Maintenance will be performed by the SCMU in the Office of the CFO.

Other independent assurance providers, such as the National Treasury, relevant Provincial Treasury, Internal Audit, inclusive of the Audit Committee, and the Auditor-General: South-Africa will also be involved in the examination of the adequacy and effectiveness of this SCM Policy & Principles to ensure an effective and appropriate control environment.

1.3 IMPLEMENTATION

It is the responsibility of management to bring the content of this SCM Policy to the attention of all parties within their area of control.

Non-compliance with this SCM Policy may result in appropriate disciplinary procedures and/or criminal actions being considered and instituted against the relevant officials and perpetrators where deemed necessary.

1.4 ABBREVIATIONS

BBBEE	Broad Based Black Economic Empowerment
BEE	Black Economic Empowerment
AO	Accounting Officer
CFO	Chief Financial Officer
CPO	Chief Procurement Official at the National Treasury
CIDB	Construction Industry Development Board
DTI	Department of Trade and Industry
FM	Financial Manager
GCC	General Conditions of Contract
MUNICIPALITY	Municipality of Knysna
MSA	Municipal Systems Act, 2000 (Act 32 of 2000)
MTEF	Medium Term Expenditure Framework
MFMA	Municipal Finance Management Act (Act 56 of 2003)
PPP	Public Private Partnership
PPPPFA	Preferential Procurement Policy Framework Act (Act 5 of 2000)
RDP	Reconstruction and Development Programme
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Quotation
SAPS	South African Police Services
SARS	South African Revenue Services
SBD	Standard Bidding Documents

SCM	Supply Chain Management
SCM TR	Supply Chain Management Treasury Regulations, 2005
SCMU	SCM Unit
SITA	State Information Technology Agency
SLA	Service Level Agreement
SMME	Small Medium and Micro Enterprise
SP	Service Provider
TCO	Total Cost of Ownership
TOR	Terms of Reference

1.5 DEFINITIONS

A-CLASS ITEMS	A-class items are those items which are not consumable or expendable.
ACQUISITION MANAGEMENT	<p>Acquisition management is the process of procurement of goods or services and includes the:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Evaluation of bids and tabling of recommendations; <input type="checkbox"/> Compilation and signing of contract documents; and <input type="checkbox"/> Contract administration and management.
ASSET	<p>Is a resource controlled by an entity as a result of past events and from which future economic benefits or service potential is expected to flow to the entity? It has the following characteristics:</p> <ul style="list-style-type: none"> <input type="checkbox"/> It possesses service potential or future economic benefit that is expected to flow to the entity. <input type="checkbox"/> It is controlled by the entity. <input type="checkbox"/> It originates as a result of a past transaction or event.
BROAD BASED BLACK ECONOMIC EMPOWERMENT	<p>Means the economic empowerment of all black people including women, workers, youth, people with disabilities and people living in rural areas through diverse but integrated socio-economic strategies that include, but are not limited to—</p> <ul style="list-style-type: none"> (a) increasing the number of black people that manage, own and control enterprises and productive assets; (b) facilitating ownership and management of enterprises and productive assets by communities, workers, cooperatives and other collective enterprises; (c) human resource and skills development; (d) achieving equitable representation in all occupational categories and levels in the workforce; (e) preferential procurement; and (f) investment in enterprises that are owned or managed by black people.
DEMAND MANAGEMENT	<p>Demand management ensures that the resources required to support the strategic objectives are delivered at the correct time, at the right price, location, quantity and quality that will satisfy the needs and is inclusive of, but not limited to:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Identification of preferential policy objectives; <input type="checkbox"/> Determination of market strategy; <input type="checkbox"/> Application of depreciation rates; <input type="checkbox"/> Application of total cost of ownership principle; <input type="checkbox"/> Compilation of bid documentation, including conditions; and <input type="checkbox"/> Determination of evaluation criteria.
DEPRECIATION	<p>Depreciation refers to the reduction in the value of assets generally from wear and tear. The consumption of capital is recognised as a cost of production and an allowance for this is made before net profit is arrived at.</p>
DISPOSAL MANAGEMENT	<p>Disposal management is responsible to ensure that all unserviceable, redundant or obsolete assets are subjected to a formal process of doing away with in a cost-effective, but transparent and responsible manner. It also entails the maintenance of records and documents as prescribed.</p>
E-CLASS ACCOUNTABLE	Accounting in respect of those stores approved by the Treasury as consumables.
E-CLASS ITEMS	E-class items are consumable and expendable stores that cannot be repaired when it becomes unusable.

ECONOMIC PRINCIPLE	Obtain the highest possible output for the lowest possible use of resources.
ECONOMY OF SCALE	Reductions in the average cost of a product in the long run, resulting from an expanded level of output.
EQUIPMENT	A-class accountable stores that are issued and accounted for on an inventory.
FINAL AWARD	In relation to bids or quotations submitted for a contract, means the final decision on which bid or quote is accepted.
INTEGRATED SCM	The foundation of the integrated SCM concept is total cost analysis, which is defined, as minimising the total cost of SCM elements.
IN THE SERVICE OF THE STATE	As per SCM TR means to be – (a) A member of – (i) Any municipal council; (ii) Any provincial legislature; or (iii) The National Assembly or the National Council of Provinces; (b) A member of the board of directors of any municipal entity; (c) An official of any municipality or municipal entity; (d) An employee of any national or provincial department, national or provincial public entity or constitutional institution within the meaning of the Public Finance Management Act, 1999 (Act 1 of 1999); (e) A member of the accounting authority of any national or provincial public entity; (f) An employee of Parliament or a provincial legislature; and is inclusive of 'staff' and 'official'.
INVENTORIES	Including stock and stores (consumable stores, maintenance materials, spare parts, work in progress, education/training course materials, and client services). Properties/land held for sale. Strategic stocks (fuel supplies, precious stones and metals). Seized or forfeited property.
INVENTORY (MOVABLE ASSETS) MANAGEMENT	It shall be possible to determine accountability for all A-class-accountable items at all times. Records shall therefore be available to describe the full extent of the responsibility of officials for equipment belonging to the institution on personal account or sectional inventories for general usage. Inventory (distribution) ledger accounts shall therefore be maintained for all A-class items.
ITEMS	An individual article or unit.
LIFECYCLE COSTING	Lifecycle costing is a technique developed to identify and quantify all costs, initial and on-going, associated with a project or installation over a given period. Thus, it is a tool that forecasts the total cost of a purchase throughout its predetermined lifecycle.
LIST OF ACCREDITED PROSPECTIVE PROVIDERS	Means a list of accredited prospective providers which the municipality / municipal entity must keep in terms of Part 16 of this SCM Policy & Principles and SCM TR 14.
LOGISTICS MANAGEMENT	Logistics management ensures that goods and services are available at the right place, time and quantities required to execute the functions of the Municipality and may include stores.
LONG TERM CONTRACT	Means a contract with a duration period exceeding one year for SCM related contracts and a period of three years for immovable assets as per the Municipal Asset Transfer Regulations.
MEASURABLE OBJECTIVES	Measurable objectives identify very specific activities that the municipality intends performing or delivering in order to achieve the strategic objectives and ultimately the strategic goals it has set. There must therefore be a direct causal link running from the measurable objective to one or more of the strategic objectives.
MOVABLE ASSETS	Movable assets are assets that can be moved (e.g. machinery, equipment, vehicles, etc.). All inventories and valuables and some fixed assets belong to this category.
NET PRESENT VALUE (NPV)	The sum that results when the discounted value of the expected costs of an investment are deducted from the discounted value of the expected returns. If the NPV is positive the project in question is potentially worth undertaking.
OBSOLETE	No longer produced or used, out of date, to become obsolete by replacing it with something new.
OTHER APPLICABLE LEGISLATION	Means any other legislation applicable to municipal supply chain management listed in Part 3 of the SCM Policy & Principles.
PRACTITIONER	A person who practices a profession or art.
REDUNDANT	No longer needed or useful, superfluous (unnecessary).

SALVAGE	The act of saving any goods or property in danger of damage or destruction.
SMALL, MEDIUM AND MICRO ENTERPRISE (SMME)	SMME is as defined in the National Small Business Act, 102 of 1996, as amended.
STORES/STOCK	All movable state property/assets that are kept in stock for issue purposes.
STRATEGIC GOALS	Strategic goals are areas of institutional performance that are critical to the achievement of the mission. They are statements that describe the strategic direction of the municipality. It is useful to think of strategic goals as outcomes to be achieved by the municipality.
STRATEGIC OBJECTIVES	Strategic objectives are more concrete and specific than strategic goals. They should give a clear indication of what the municipality intends doing in order to achieve the strategic goals it has set for itself, as such strategic objectives would normally describe high-level outputs or “results” of actions that the institution intend taking.
SCM	SCM (SCM) is an integral part of financial management. This function integrates the planning, procurement and provisioning processes, seeks to introduce international best practices, whilst at the same time addressing Government’s preferential procurement policy objectives.
TREASURY GUIDELINES	Means any guidelines on supply chain management issued by the Minister in terms of section 168 of the MFMA.
‘THE ACT’	Means the Local Government Municipal Finance Management Act, 2003 (Act no 56 of 2003) – MFMA.
‘THE REGULATIONS’	Means the Local Government Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 2005.
VALUE FOR MONEY	Means that the performance of a private party in terms of the agreement will result in a net benefit to the institution defined in terms of cost, price, quality, quantity, risk transfer or any combination of those factors.

PART 2: OVERALL OBJECTIVE

2.1 OVERALL OBJECTIVES

The municipality’s overall objective of this SCM Policy is the following:

- 2.1.1 To ensure the efficient, effective and uniform planning for and procurement of all services and goods, required for the proper functioning of the municipality as well as the sale and letting of assets that conforms to constitutional and legislative principles whilst developing, supporting and promoting historically disadvantaged individuals, black economic empowerment, SMME’s and preferential goals.
- 2.1.2 To ensure the efficient, effective and uniform management and disposal of goods and assets.
- 2.1.3 To ensure good governance through its SCM processes.
- 2.1.4 To prevent SCM System abuse and resultant irregular expenditure.

2.2 THE SCM POLICY

Refer to section 111& 112 of the MFMA & SCM TR 2&3

- ☐ This SCM Policy shall give effect to the legislation and the overall objectives stated, through appropriate policy, principles and operational procedures.
- ☐ The entire municipality’s SCM must be done in accordance with this SCM Policy & Principles.

2.3 POLICY ADOPTION AND REVIEW

Refer to section 111 of the MFMA and SCM TR 3

- ☐ This SCM Policy & Principles shall be adopted by the Municipal Council and reviewed at least annually.
- ☐ Ensure continuous review and update of the SCM Policy & Principles against prescripts and related legislative frameworks and amendments.

PART 3: PROCUREMENT PRINCIPLES

3.1 PROCUREMENT PRINCIPLES

Refer to section 112 of the MFMA and SCM TR 2

- ☐ The municipality hereby adopts the procurement principles as noted hereunder:

Transparency	The procurement process shall be open and predictable and shall afford each prospective bidder timely access to the same and accurate information.
Equal treatment	All bidders and providers shall be treated equally throughout the whole procurement process and shall be given access to the same information.
Effectiveness	The municipality shall strive for SCM system effectiveness and shall carry out its procurement processes as cost-effectively as possible while meeting the commercial, regulatory and socio-economic goals of government in a balanced manner appropriate to the procurement requirement.
Efficiency	The municipality shall strive to standardise and simplify procedures where appropriate to enhance SCM system effectiveness and shall carry out its SCM processes as cost-effectively and efficiently as possible. The municipality shall strive to build relationships with providers, shall ensure good working practices and shall encourage innovative solutions for providers
Competitiveness	The municipality shall satisfy its requirements through competition unless there are justifiable reasons to the contrary.
Fairness	All bidders and contractors shall be dealt with fairly and without unfair discrimination. Unnecessary constraints shall not be imposed on bidders/contractors and commercial confidentiality shall be protected.
Ethics	All suppliers shall be treated equally whilst promoting certain empowerment objectives, all stakeholders shall conduct business and themselves professionally, fairly, reasonably and with integrity, all interests shall be disclosed and all breaches shall be reported.
Proportionality	The product/service requirements stipulated in the specification/terms of reference and the

	qualification requirements attached thereto must be appropriate, necessary and in reasonable proportion to the product/service being procured.
Uniform application	The municipality shall ensure the application of a SCM Policy & Principles and a streamlined SCM process and documentation that is uniformly applied by the municipality, all things being equal. The procurement process shall be simple and adaptable to advances in modern technology to ensure efficiency and effectiveness.
Accountability	Each practitioner shall be accountable for their decisions and actions relative to their SCM responsibilities, the SCM process as well as in the implementation of concluded contracts. The municipality shall have a system, when warranted by circumstances, to investigate and hold liable both employees and relevant private parties dealing with the municipality, for their decisions and actions relative to their procurement responsibilities, the procurement process as well as in the implementation of concluded contracts.
Openness	The municipality shall ensure a procurement process and a subsequent contract award and implementation according to the predetermined specification in line with the best practice procurement principles.
Value for money	The municipality shall achieve value for money through the optimum combination of whole life cost and quality (or fitness for purpose) to meet the customer's requirements while maximising efficiency, effectiveness and flexibility.
	The municipality shall apply the following TCO philosophy to the procurement of goods and services in achieving value for money.
	$TCO = Price + Administration \text{ (maint. and process)} + Quality/Usage + Supplier \text{ Value-add.}$
Commitment to safety, health and the environment	The municipality is committed to the health and safety of its personnel and its providers in the application of its SCM process.
	The municipality is committed to the preservation of the environment, minimising pollution and the improved use of natural resources in the application of its SCM processes and more specifically in the design of the specifications/terms of reference for each requirement.
	The municipality shall apply preventative measures in situations of scientific uncertainty where a course of action could harm the environment.
Black Economic Empowerment	The municipality is committed to the promotion of Black Economic Empowerment by maintaining a principle of 50% of all procurement to black owned businesses.
Preferential Procurement Policy	The municipality shall implement the preferential system and its preferential procurement policy (once adopted) in the allocation of contracts for categories of services providers such as previously disadvantaged individuals, women and small business.
Local Sourcing	The municipality is committed to give preference to locally sourced products and services whenever possible.
Resolution of Bid Award Disagreements	Should the Bid Adjudication Committee and or the AO not agree with any recommendations made by the Bid Evaluation Committee, only the AO may make the final award within 10 working days, subject to the provisions of section 114 of the MFMA.

PART 4: SCM SYSTEM

4.1 SCM SYSTEM

Refer to section 115 of the MFMA and SCM TR 9

- ☐ The AO shall develop and implement an effective and efficient SCM system for:
 - ☐ The acquisition of goods and services; and
 - ☐ The disposal and letting of assets and goods no longer required.
- ☐ The system shall be fair, equitable, transparent, competitive and cost-effective.
- ☐ The system shall be consistent with the PPPFA and the B-BBEE Act.
- ☐ The system shall provide for at least the following:
 - ☐ Demand management.
 - ☐ Acquisition management.
 - ☐ Logistics management.
 - ☐ Disposal management.
 - ☐ Risk management.
 - ☐ Regular assessment of supply chain performance.

PART 5: PLANNING

5.1 PLANNING

Refer to MSA, chapter 5, MFMA, chapter 4 and SCM TR 3

- ☐ The SCM Policy & Principles of the municipality must complement its IDP, Budget and SDBIP.

PART 6: SCM FUNCTION, UNIT AND CAPACITY BUILDING

6.1 SCM FUNCTION, UNIT AND CAPACITY BUILDING

Refer to section 119 of the MFMA and SCM TR 7 & 8

- ☐ The AO must establish a separate SCMU which operates under the direct supervision of the CFO to implement its SCM system.
- ☐ The AO shall ensure that officials implementing the SCM system are trained and deployed in line with the requirements of the Framework for Minimum Training and Deployment issued by National Treasury.
- ☐ National Treasury shall regulate the training.
- ☐ National Treasury must validate the training material of providers.

PART 7: AUTHORITY TO EXECUTE

7.1 DELEGATION OF AUTHORITY

Refer to section 59 of the MSA, sections 79 and 82 of the MFMA and SCM TR 4 & 5

- ☐ All SCM activities shall be executed in accordance with pre-established levels of authority through delegations and sub-delegations to ensure control and division of responsibility.
- ☐ Delegations shall be in writing to a specific individual or the holder of a post and shall be in line with the Municipal Delegation System.
- ☐ A delegation shall be subject to such limitations and conditions as the Council, AO and/or CFO may impose in a specific case.
- ☐ The specific provisions and limitations as prescribed in SCM TR 4 and 5 must at all times be adhered to.
- ☐ The AO and/or CFO is entitled to confirm, vary or revoke any decision taken in consequence of a delegation, provided that no such variation or revocation of a decision should detract from any rights that may have accrued as a result of the decision.

7.2 RESPONSIBILITY OF OFFICIALS

Refer to sections 77, 112(1)(k) and 117 of the MFMA and SCM TR 44&46

- ☐ Each official shall carry out its activities within its area of responsibility.
- ☐ Each official shall take appropriate steps to prevent any unauthorised, irregular, fruitless and wasteful expenditure in its area of responsibility.

7.3 PARTICIPATION OF ADVISORS

Refer to SCM TR 5, 27 & 29

- ☐ Specialist advisors may assist in the execution of the SCM function.
- ☐ The services must be obtained through the SCM System.
- ☐ No advisor may form part of the final decision-making process regarding bids.

PART 8: ROLES AND RESPONSIBILITIES

8.1 MUNICIPAL COUNCIL

Refer to section 117 of the MFMA and SCM TR 6

- 8.1.1 Without interfering in the actual procurement processes, to ensure that the municipality has and

maintains:

- An appropriate SCM system, which is fair, equitable, transparent, competitive and cost-effective.
- Effective, efficient and transparent systems of financial and risk management and internal control.

8.1.2 To act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs, including the avoidance of conflict of interest and provision of safeguards against favouritism, improper practices and opportunities for fraud, theft and corruption.

8.1.3 To prevent any prejudice to the financial interests of the municipality or the State.

8.1.4 To take effective and appropriate steps to prevent irregular expenditure, fruitless and wasteful expenditure, losses as a result of criminal conduct and expenditure not complying with the operational policies of the municipality.

8.1.5 To ensure that expenditure of Municipality related to SCM is in accordance with the approved budget.

8.1.6 To delegate in writing any of the powers, functions or duties entrusted, delegated, conferred or imposed on it by the Constitution, MSA and the MFMA, to the Accounting Officer.

8.1.7 To approve the allocation of funds to strategic goals of the municipality.

8.1.8 To oversee the implementation of the SCM Policy & Principles.

8.2 ACCOUNTING OFFICER

Refer to sections 60, 79 & 115 of the MFMA and SCM TR 3, 5, 29, 48 & 50

8.2.1 To advise on the establishment of strategies in compliance with the legislation.

8.2.2 To act as a sounding board for the Council on the translation of the SCM strategy into business objectives and operational plans.

8.2.3 To grant final approval of certain bids not delegated to any other official or structure and bids subject to certain conditions.

8.2.4 To delegate or sub-delegate in writing any of the powers, functions or duties entrusted, delegated, conferred or imposed on it by the Constitution, MSA and the MFMA, to the CFO.

8.2.5 To manage SCM processes in the event of uncertainty or dispute between different award structures.

8.3 CHIEF FINANCIAL OFFICER

Refer to sections 80, 81 & 82 of the MFMA and SCM TR 7

8.3.1 To advise on the establishment of strategies in compliance with the legislation.

8.3.2 To act as a sounding board for the AO on the translation of the SCM strategy into business objectives and operational plans.

8.3.3 To provide guidance on the establishment of proposals, policies and the operational budget.

8.3.4 To provide guidance and options in terms of operational expenditure.

8.3.5 To establish and maintain the municipal SCM Policy & Principles.

8.3.6 To establish and maintain the municipal SCMU.

8.3.7 To take all reasonable steps to ensure that proper mechanisms and separation of duties in the SCMU and SCM Policy & Principles are in place to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

8.3.8 To sub-delegate in writing any of the powers, functions or duties entrusted, delegated, conferred or imposed on it by the Constitution, MSA and the MFMA, to an official in the Office of the CFO.

8.4 LINE FUNCTION/USERS

Refer to section 79 of the MFMA and SCM TR 2, 12, 26, 38, 44, 45, 46 & 47

8.4.1 To link the operational budget with SCM planning.

8.4.2 To manage SCM activities in so far as it impacts on the budget holder's expenditure items.

8.4.3 To establish and maintain user and/or supplier specifications and requirements in relation to SCM within its area of responsibility.

8.4.4 To establish and maintain contract management and project management activities in relation to SCM within its area of responsibility.

8.4.5 To take all reasonable steps to ensure that proper mechanisms and separation of duties between the SCMU and line function unit in order to minimise the likelihood of fraud, corruption, favouritism and unfair and irregular practices.

8.4.6 To sub-delegate in writing any of the powers, functions or duties entrusted, delegated, conferred or imposed on it by the Constitution, MSA and the MFMA, to an official in the relevant line-function unit.

8.5 SCMU

Refer to section 79 of the MFMA and SCM TR 7

8.5.1 To develop and implement strategies to ensure optimisation of the supply chain management unit's service delivery, resource utilisation and client satisfaction.

8.5.2 Develop necessary policies and procedures such as petty cash policy, asset management policy, disposal policy, etc. or other procedures required to enhance the implementation of supply chain management.

8.5.3 Provide strategic direction and operational planning for the SCMU.

8.5.4 Manage provisioning, procurement, logistics, risk and performance management.

8.5.5 Co-ordinate and oversee the functions of demand, acquisitions, logistics, risks and performance management.

8.5.6 Responsible for SCM including evaluation and adjudication of bids as delegated, research and adherence to SCM Policy & Principles, compilation of financial and other reports as required, auditing of supply chain allocation, ensure proper statistical administration and cost- and management accounting.

8.5.7 Liaise with external auditors and attend to audit queries and address them accordingly.

8.5.8 Advise the bid committees on procurement processes and prescripts.

8.5.9 Approves and sign letters of acceptance to prospective bidders.

8.5.10 Develop a delegation schedule for SCMU.

8.5.11 Develop a skills-program and identify training needs for all SCM practitioners and ensure that each official is trained accordingly.

8.5.12 Assist the AO and CFO to at least annually review the SCM Policy & Principles.

PART 9: SCM GOVERNANCE

9.1 ETHICS

Refer to section 118 of the MFMA and SCM TR 46

- ☐ The municipality commits itself to a policy of fair dealing and integrity in conducting its SCM activities.
- ☐ All SCM practitioners and role players in the SCM Policy & Principles are required to promote mutual trust and respect and an environment where business can be conducted in a fair and reasonable manner and with integrity.
- ☐ All SCM practitioners should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation and regulations.
- ☐ The municipality's Code of Conduct shall incorporate the Code of Conduct for SCM practitioners as contained in National Treasury's Practice Note Number SCM 4 of 2003 and shall direct all SCM practitioners and role players in their conduct within and with the municipality. Non-compliance shall be subject to the appropriate disciplinary action.
- ☐ The AO shall take all reasonable steps to prevent abuse of the SCM Policy & Principles.
- ☐ Anyone who becomes aware of a breach of or failure to comply with any aspect of the SCM Policy & Principles, must immediately report the breach or failure to the AO or his/her delegated authority in writing.
- ☐ All allegations against a practitioner or any other role player, of corruption, improper conduct or compliance failure with the SCM Policy & Principles shall be investigated by the AO or his/her delegated authority who will, when justified:
 - ❖ Take steps against such official or other role player and inform the relevant Treasury of such steps.

- ❖ Report any conduct that may constitute an offence to the SAPS.

9.2 DECLARATION OF INTEREST

Refer to sections 112 (1)(j), 117 & 118 of the MFMA and SCM TR 44, 45, 46 & 47

- ☐ If a SCM practitioner or other role player, or close family member, partner or associate of such practitioner or other role player, has any private or business interest in any contract to be awarded, that practitioner or other role player must:
 - ☐ Disclose that interest.
 - ☐ Withdraw from participating in any manner whatsoever in the process relating to the contract.
 - ☐ A SCM practitioner must recognize and disclose any conflict of interest that may arise.

9.3 EQUAL TREATMENT

- ☐ All SCM practitioners and other role players must treat all suppliers and potential suppliers equitably.

9.4 ACCOUNTABILITY

- ☐ A SCM practitioner and other role players must be scrupulous in their use of public property.

9.5 OPENNESS

- ☐ Practitioners should give reasons for their decisions and actions, subject to the provisions of PAIA.

9.6 CONFIDENTIALITY

- ☐ Any information that is the property of the municipality or its suppliers/service providers should be protected at all times.
- ☐ Information regarding any bid/contract/bidder/contractor may only be revealed if such an action will not infringe on the relevant bidder's/contractors personal rights as per the provision of PAIA.

9.7 INDEPENDENCE

- ☐ All SCM practitioners and role players may not use their position for private gain or to improperly benefit another person.
- ☐ If a SCM practitioners or other role player's family member, partner or associate of such official or role player, has any private or business interest in any bid to be submitted or to be adjudicated, such interest must be disclosed and recorded and the party with the interest must withdraw from participating in the evaluation process relating to the bid if there is a conflict of interest.

9.8 GIFTS AND HOSPITALITY

Refer to SCM TR 47

- ☐ SCM practitioners and role players must ensure that no-one compromise the credibility or integrity of the SCM system through the acceptance of gifts or hospitality or any other act.
- ☐ The municipality shall maintain a gift register in the Office of the CFO.

9.9 FRAUD AND CORRUPTION

Refer to SCM TR 38

- ☐ The provisions of the Prevention and Combating of Corrupt Activities Act, 2004 shall be adhered to.
- ☐ The SCMU must ensure that all officials, clients and other stakeholders (including service providers) are made aware of the implications of the Prevention and Combating of Corrupt Activities Act.
- ☐ Fraud prevention and anti-corruption plans shall be instituted.
- ☐ A SCM practitioner or other role player must assist the AO or his/her delegated authority in combating corruption and fraud in the SCM Policy & Principles.
- ☐ The AO or his/her delegated authority must reject a proposal for adjudication if he/she determines that the supplier/service provider recommended for adjudication, has engaged in corrupt or fraudulent activities in competing for the contract in question.

9.10 COMBATIVE PRACTICES

Refer to section 112 of the MFMA and SCM TR 38

- ☐ The use of combative practices is not allowed.

9.11 INTERNAL ABUSE OF THE PPPFA

Refer to section 112(1)(n) of the MFMA and SCM TR 38

- ☐ The AO or his/her delegated authority shall ensure that the SCM Policy & Principles is not abused for any purpose, neither for the benefit of the municipality nor for the benefit of any potential provider/contractor or individual.
- ☐ All conducts, dealings and actions are to be *bona fide*.
- ☐ Any employee suspected of acting contrary to this policy, will be dealt with in terms of the disciplinary code of the municipality

9.12 EXTERNAL ABUSE OF PPPFA

- ☐ The municipality shall vigorously pursue all legal remedies available in the event that the SCM Policy & Principles is abused, particularly through for example, but not limited to the following ways:
 - ❖ That a provider or contractor is suspected of contravening the PPPFA.

- ❖ Has promised, offered or given a bribe during the bidding process and/or after conclusion of the contract.
- ❖ Has acted in a fraudulent manner or in bad faith or in any other improper manner during the bidding process or after conclusion of the contract.
- ❖ That an agreement was entered into with the contractor on the strength of information furnished by him, and it became apparent after conclusion of such agreement that the information provided was incorrect.
- ☐ To protect both parties to an agreement, potential providers, contractors and municipal officials must be made aware of the implications of any contraventions via the special conditions of contract and the applicable paragraphs in the GCC or CIDBA contract, in the case of construction or infrastructure procurement.

9.13FRONTING

PPPFA Regulations, 2011

- ☐ The municipality shall ensure that, where possible, fronting is identified before a contract is awarded.
- ☐ Where, after award of a contract it becomes evident that the award made to the organisation based on incorrect information constituting fronting, the appropriate action is to be taken in accordance with all legal remedies available as well as the provisions of the PPPFA.

9.14SCM ABUSE

Refer to SCM TR 38, 49 and 50

- ☐ The municipality must establish a mechanism to receive and consider complaints regarding alleged non-compliance with the prescribed norms and standards.
- ☐ Such mechanism must provide that recommendations for remedial actions to be taken if non-compliance of any norms and standards is made to the Council, including recommendations of criminal steps to be taken in the case of corruption, fraud or other criminal offences.
- ☐ The AO must reject the bid of any bidder if that bidder or any of its directors has been convicted for fraud or corruption during the past 5 years.

9.15DISPUTES, COMPLAINTS, ENQUIRIES AND OBJECTIONS MECHANISM

Refer SCM TR 21(e), 49 & 50

- ☐ Bidders are allowed the opportunity to lodge an objection or complaint against the decisions of the municipality within a period of 14 (*working*) days of the municipal decision or action.
- ☐ This process does not constitute an APPEAL and the provisions of SCM TR 50 must be adhered to in

order to respond to objections or complaints received in this regard [Appeals are addressed at Part 11.16].

9.16 SCM RELATED APPEALS

SCM TR 21(e), 49 & 50 and MSA 62

- ☐ Bidders are allowed to appeal against a decision or action of the municipality, but only after exhausting the provisions of SCM TR 21(e), 49 and 50.
- ☐ In strict legal terms the nature of an appeal has a specific meaning in relation to administrative actions, only allowing for a review of the processes followed by the administrator but not the merit of the discretionary decision taken by them. If the decision of the municipality is taken on appeal, it means that the municipality should show cause that it followed due process in awarding the tender.
- ☐ The administrator will not have to defend the merits of any discretionary decisions taken subject to such decisions being reached following due process. In practical terms, it means that the municipality will have to confirm that:
 - Due process was followed in awarding the tender, i.e. all relevant legal prescripts were complied with; and
 - The discretionary decision made to award the tender was reached having followed such due process.
- ☐ If an application for appeal is upheld, the only sanction could be that the tender evaluation and/or adjudication process must be re-constituted following due process. An administrative appeal does not allow the making of an alternative decision, but only to refer a matter back to follow due process.
- ☐ Since the AO and/or members of the Adjudication Committee are in most instances involved in the final decision making as per the MFMA, they cannot be an Appeal Authority as foreseen in section 62 of the MSA¹ and therefore appeals may also be considered through a court of law process or as per SCM TR 50(1).
- ☐ From the above as well as the interpretation allowed thereto by recent case law², it is evident that the MSA and MFMA in its application seems to contradict each other, which results in confusion, delays and costly legal representation and all efforts must be made to protect both the suppliers and Municipality against the aforementioned actions.

(a)

¹ MSA 62 stipulates that:

- "(1) A person whose rights are affected by a decision taken by a political structure, political office bearer, councillor or staff member of a municipality in terms of a power or duty delegated or sub-delegated by a delegating authority to the political structure, political office bearer, councillor or staff member, may appeal against that decision by giving written notice of the appeal and reasons to the municipal manager within 21 days of the date of the notification of the decision.*
- (2) The municipal manager must promptly submit the appeal to the appropriate appeal authority mentioned in subsection (4).*
- (3) The appeal authority must consider the appeal, and confirm, vary or revoke the decision, but no such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.*
- (4) When the appeal is against a decision taken by-(a) a staff member other than the municipal manager, the municipal manager is the appeal authority"*

²CC Groenewald v M5 Developments (283/09) [2010] ZASCA 47 [31 March 2010]; Loghdey v Advanced Parking Solutions CC Unreported, Case No. 20766/2008 (W) [25 February 2009]; Lohan Civil-Tebogo Joint Venture v Mangaung Plaaslike Munisipaliteit Unreported, Case No. 508/2009 (O) [27 February 2009]

9.17 COMPLIANCE

Refer to SCM TR 9

- ☐ The SCM Policy & Principles must describe in sufficient detail -:
- ☐ The Supply Chain Management System that is to be implemented by the municipality.
- ☐ Effective systems for:
 - (i) Demand management
 - (ii) Acquisition management
 - (iii) Logistics management
 - (iv) Disposal management
 - (v) Risk management
 - (vi) Performance Management

9.18 ACCESS TO INFORMATION

Refer to section 32 of PAIA and SCM TR 11(3)

- ☐ Everyone has the right of access to -:
 - Any information held by the state;
 - Any information that is held by another person and that is required for the exercise of any rights.
- ☐ The objectives of this are to-:
 - Give effect to the constitutional right of access to any information as stated above;
 - Set out justifiable limitations on the right of access to information aimed at protecting people's privacy, confidential commercial information and ensuring effective, efficient and good governance;
 - Balance the right of access to information with all the other rights in the constitution;
 - Promote a culture of human rights and social justice;
 - Establish mechanisms and procedures to enable persons to obtain access to records as swiftly, inexpensively and effortlessly as is reasonably possible;
 - Promote transparency, accountability and effective governance;
 - Empower and educate everyone to:
 - Understand their rights in terms of the Act;
 - Understand the functions and operation of public bodies; and
 - Effectively scrutinise and participate in decision-making by public bodies that affect their rights.
- ☐ Therefore, it permits aggrieved bidders to challenge procurement decisions by allowing them access to prescribed information they might require when their rights have been infringed.

PART 10: COMMITTEE SYSTEM

10.1 COMMITTEE SYSTEM

MFMA s 117 and SCM TR 26-29

- ☐ A committee system for competitive bids is hereby established, consisting of the following committees for each Procurement or cluster of procurements with a value exceeding R200 000.00:
 - A bid specification committee;
 - A bid evaluation committee; and
 - A bid adjudication committee.
- ☐ The AO or delegated authority appoints the members of each committee, taking into account section 117 of the Act.
- ☐ A neutral or independent observer may attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- ☐ The committee system must be consistent with –
 - (a) Parts 12.2, 12.3 and 12.4 of this SCM Policy & Principles; and
 - (b) Any other applicable legislation.
- ☐ The AO or delegated authority may opt to apply the committee system to formal written price quotations.

10.2 BID SPECIFICATION COMMITTEE

ROLES AND RESPONSIBILITIES OF MEMBERS

Refer to sections 77 & 78 of the MFMA and SCM TR 27

- ☐ To compile specifications for bids at the municipality in an unbiased manner to allow all potential bidders to offer their goods and services.
- ☐ To identify and include the relevant evaluation criteria in the specifications as bids may only be evaluated and scored according to the criteria stipulated in the bid documentation.
- ☐ To forward the final specification to the SCMU to facilitate final approval of the specification prior to the advertisement of bids.
- ☐ To consider and mitigate risks emanating from bids.
- ☐ To consider the contractual arrangements relevant to each bid.

ESTABLISHMENT OF BID SPECIFICATIONS COMMITTEES

- ☐ The AO or delegated authority shall establish a Bid Specification Committee.

COMPOSITION OF BID SPECIFICATIONS COMMITTEES

- ☐ The Bid Specification Committee will compose of a Senior Manager of the user department, an official of a division requiring the goods or services [user], the Managers: IDP, Budget, SCM and Administration.
- ☐ An external consultant may be appointed if deemed necessary, provided that the task is executed under the direction of the line function Senior Manager concerned.

10.3 BID EVALUATION COMMITTEE

ROLES AND RESPONSIBILITIES OF MEMBERS

Refer to sections 77 & 78 of the MFMA and SCM TR 28

- ☐ To evaluate all bids received from above the quotation threshold (*Currently R200 000*).
- ☐ To evaluate offers received within the quotation threshold where the requirement is technically complex and/or there are risks involved that warrant this process.
- ☐ To ensure that evaluation is done in accordance with the criteria specified in the bid documentation.
- ☐ To submit a report and recommendations regarding the award to the Bid Adjudication Committee for consideration and/or approval.
- ☐ To present their reports to the Bid Adjudication Committee to clarify uncertainties. Such members shall not have any voting power on the Bid Adjudication Committee.
- ☐ To check in respect of the recommended bidder whether Municipal Rates and taxes and municipal service charges are not in arrears.

ESTABLISHMENT OF BID EVALUATION COMMITTEES

SCM TR 29, 44 & 46

- ☐ The AO or delegated authority must establish one or more Bid Evaluation Committees, as necessary per requirement and may utilise the services of any other institution's Committee if and when required.
- ☐ Bid Evaluation Committees shall be appointed before the closing date for bids that must be evaluated by the Committee.
- ☐ The Committee will disband after the award of the bid if appointed on an *ad hoc* basis or for a period of time, dependent on the letter of appointment.
- ☐ Should a member declare a conflict of interest at any stage, the member may not be part of the Bid Evaluation Committee and must be replaced by a member of suitable expertise.
- ☐ An official may not be a member of the Bid Evaluation Committee and the Bid Adjudication Committee for the same bid.
- ☐ No person other than a member of the Bid Evaluation Committee or the official rendering the secretariat function is allowed to attend the meeting.

COMPOSITION OF BID EVALUATION COMMITTEES

- ☐ A Bid Evaluation Committee should consist of at least three officials.
- ☐ The Bid Evaluation Committee should be cross-functional and should comprise of supply chain practitioners and officials from the user division requiring the goods /services.
- ☐ If considered necessary, appoint additional persons with suitable expertise from other divisions/institutions with voting rights.
- ☐ If considered necessary, appoint additional experts in an advisory capacity only with no voting rights. Such experts must provide a final written report within 5-days after the relevant committee meeting.
- ☐ The AO or delegated authority must appoint one of the members of the Bid Evaluation Committee as the chairperson of the Committee. The chairperson must be an official with the rank of at least Senior Manager/Manager.

10.4 BID ADJUDICATION COMMITTEE

ROLES AND RESPONSIBILITIES

Refer to sections 77 & 78 of the MFMA and SCM TR 29

- ☐ To consider the report and recommendations made by the Bid Evaluation Committee or the delegated official(s) who performed the evaluation.
- ☐ To assess the process followed in making the recommendation to ensure that the SCM policy have been complied with in full.
- ☐ To obtain clarity from members of the Bid Evaluation Committee if required.

- ☐ To comment on the recommendations made and forward it together with the report to the AO or delegated authority, who shall finally award the contract.
- ☐ To refer the recommendation back to the Bid Evaluation Committee if they do not agree with the recommendation in order to endeavour to sort out the differences if they are process related.
- ☐ Should the Bid Adjudication Committee and/or the AO not agree with the recommendations made by the Bid Evaluation Committee, only the AO may make the final award, within 10 working days, subject to the provisions of section 114 of the MFMA.

ESTABLISHMENT OF BID ADJUDICATION COMMITTEE

SCM TR 29, 44 & 46

- ☐ The AO shall establish the Bid Adjudication Committee to perform the award/adjudication of quotations and bids.
- ☐ The Bid Adjudication Committee process must provide for final approval by:
 - ☐ A delegated official for awards up to the prescribed threshold.
 - ☐ The AO for awards exceeding a value of R 10 million.
- ☐ The adjudication for a specific quotation/bid cannot be an official who:
 - ☐ Performed the evaluation or made a recommendation in respect of that quotation/bid.
 - ☐ Served on the Bid Evaluation Committee, which processed that quotation/bid.
- ☐ No advisor may form part of the final decision-making process regarding the award of bids.
- ☐ The AO may utilise the services of any other institution's Bid Adjudication Committee if and when required.
- ☐ Each member shall have a *secundis* where feasible.

COMPOSITION OF BID ADJUDICATION COMMITTEE

- ☐ The Bid Adjudication Committee consists of at least four senior officials from different departments.
- ☐ When possible, the chairperson of the Bid Adjudication Committee should be the CFO.

10.5 SECRETARIAT SERVICE

Refer to SCM TR 26

The Secretariat shall:

- (i) In conjunction with the chairperson, compile an agenda and determine dates of meetings.
- (ii) Give appropriate notice of proposed meetings to committee members.
- (iii) Process and distribute all submissions/reports together with the agenda to committee members on an agreed date before the actual meeting takes place.

- (iv) The secretary to all Committees shall be responsible for the safekeeping of the tapes on which the deliberations of the Committee have been recorded, as well as copies of minutes. The Secretariat will forward the minutes and applicable attachments to the members of the relevant Committees.
- (v) The minutes of all Committee meetings will be signed by the Chairperson to determine the validity of the proceedings.
- (vi) Where feasible, Committee meetings shall be recorded on tape.
- (vii) Adhere strictly to the stipulations of the National Archives of South Africa Act, 1996 (Act No 43 of 1996) and accompanying directives as well as the documentation and recording provisions of the municipality.
- (viii) Be responsible for all the administrative tasks for the committee.

10.6 RESOLUTION OF COMMITTEE DISAGREEMENTS

Refer to MFMA section 114 and SCM TR 36

- ☐ Where the Bid Adjudication Committee disagrees with the recommendation of the relevant Bid Evaluation Committee on the adjudication of a bid, it must refer the request together with its recommendations to the Bid Evaluation Committee for consideration.
- ☐ Where the Bid Adjudication Committee still disagrees with the recommendation of the relevant Bid Evaluation Committee the commentary and reasons of the Bid Adjudication Committee is to be submitted to the AO for a final decision.
- ☐ The AO may obtain advice as deemed necessary, including advice from outside the Municipality.
- ☐ Should the AO decide to award a bid to a bidder other than the one recommended by the Bid Adjudication Committee the Auditor-General, the National Treasury and the Provincial Treasury must be informed in writing within 10 days of the reasons for such deviation.

PART 11: NEEDS ANALYSIS

11.1 SDBIP

Refer to SCM TR 42 and Chapter 6 of the Municipal Systems Act, 2000

- ☐ The SDBIP shall be produced per the IDP and MTEF cycle with a review every year during the planning and budgetary period.
- ☐ The SDBIP is to set out the Council's strategic policy priorities and plans for the next three years. This document serves as a blueprint for what the municipality plans to do for the remaining three-year period.
- ☐ Should the municipality produce this three-year plan for the current cycle, the SCMU must be involved to add value from a SCM perspective.

11.2 ANNUAL PERFORMANCE PLANNING PROCESS

- ☐ The SCM unit shall participate in the annual performance planning process.
- ☐ Each user division shall perform an annual needs analysis of strategic objectives and programmes involving SCM, Human Resource Management and Finance to determine strategic sourcing that will ultimately provide best value for money.

11.3 ASSESSMENT OF CURRENT AND FUTURE NEEDS

Refer to SCM TR 10 & 39 and NT MFMA circular 62 of 2012

- ☐ The annual performance plan must be analysed in terms of goods, services and works required over the short and medium term.
- ☐ The frequency of the needs and the critical delivery dates must be established to support the SCM process and the budgetary process.

11.4 ASSESSMENT OF AVAILABLE ASSETS

- ☐ Determine details of available stock, goods in transit, redundant and obsolete assets and assets to be renewed.

11.5 ANALYSIS OF PAST EXPENDITURE

- ☐ Analyse who were providers of goods and services and their locations.
- ☐ Determine the prices paid.
- ☐ Confirm the availability of relevant specifications/terms of reference.

11.6 ANNUAL OPERATIONAL PLAN

- ☐ The SCMU must develop an annual operational plan.
- ☐ The first year of the strategic plan is known as the operational plan. It must provide a sufficiently detailed quantification of outputs and resources, together with service delivery indicators. The operational plan must not be a wish list, but shall be flexible and adjustable while remaining within the MTEF allocation.

11.7 AD HOC NEEDS ANALYSIS

- ☐ Over and above the planned needs analysis, an *ad hoc* needs analysis has to be done for unplanned activities during the financial year.
- ☐ The management team will perform a need analysis on a case-by-case basis as and when required in order to determine a sourcing strategy for the appropriate product or service that will ultimately provide best value for money.

PART 12: FUNDING

12.1 FUNDINGPLAN FOR PROCUREMENT

NT MFMA Circular 62 of 2012

- ☐ The SCMU shall compile a funding plan for procurement for the next financial year.
- ☐ The identified requirements in the operational plan and SDBIP are drawn from and summarised in a funding plan for procurement for the next financial year and will identify the funding required.

PART 13: SPECIFICATIONS / TERMS OF REFERENCE

13.1 SCOPING THROUGH A REQUEST FOR INFORMATION (RFI)

- ☐ If sufficient information is not readily available with which to draft a terms of reference/specifications, a request for information (RFI) process may be followed in order to obtain more market information.
- ☐ The information collected in this fashion may not be used to lead to sourcing from one supplier only nor may it be used to write the ultimate specification/terms of reference around just one specific product.
- ☐ It must be clearly stated in the RFI that the result of this process will not lead to an award and does not constitute a commitment.

13.2 COMPILATION OF THE SPECIFICATION OR TERMS OF REFERENCE

- ☐ The end user must draw up clear specifications and terms of reference.
- ☐ Include clear evaluation criteria prior to the invitation of the quotation/bid as offers may only be evaluated according to the criteria stipulated in the quotation/bid document.

PART 14: DATABASE FOR SUPPLIERS

14.1 ESTABLISHMENT OF THE LIST OF PROSPECTIVE PROVIDERS PER COMMODITY

Refer to SCM TR 14, 43, 44 & 45

- ☐ The municipality shall establish and maintain a list of prospective providers per commodity for the purpose of obtaining quotations.
- ☐ The prospective provider list shall be used effectively to promote B-BBEE as well as the participation of Small, Medium and Micro Enterprises (SMMEs).
- ☐ The prospective provider list must be updated at least twice a year.
- ☐ Prospective providers will be assessed in terms of predetermined evaluation criteria.

14.2 UPDATING OF THE LIST

- ☐ The prospective provider list must be updated at least quarterly in order to accommodate additional providers, newly established providers and for adding or amending categories of requirements.

14.3 UTILISATION PROCEDURE

- ☐ Up to the quotation threshold, the municipality shall invite prospective providers (in the relevant commodity), featured on the prospective provider list, to submit a quote.
- ☐ The invitation of price quotations from the provider list shall be done in such a manner that on-going competition amongst providers is promoted.

14.4 REMOVAL FROM THE PROSPECTIVE PROVIDER LIST

- ☐ Prospective providers may be removed from the list on request or for non-compliance with relevant legislation, proven non-delivery and proven fraud and/or corruption.

PART 15: ACQUISITION MANAGEMENT SYSTEM

15.1 ACQUISITION MANAGEMENT SYSTEM

THE ACQUISITION SYSTEM

Refer to SCM TR Part 2

- ☐ Goods and services must only be procured in accordance with authorised procurement processes.
- ☐ Procurement of goods and services, either through quotations or through a bidding process, must be within the threshold values as determined by National Treasury.
- ☐ Expenditure on goods and services may only be incurred in terms of an approved budget and within the limits of the amounts appropriated for the different main divisions within an approved budget.

TYPES OF PROCUREMENT

- ☐ When a requirement becomes known, the noted hierarchy for satisfying requirements shall apply starting first with the hierarchy of processes of obtaining stock from internal resources and then only applying the hierarchy of processes of satisfying requirements from external sources.
- ☐ Liaise and obtain permission from relevant treasury to commence with establishment and maintenance of an E-procurement system in order to ensure compatibility with other electronic systems utilised by Government.

DIRECTIVES FOR SPECIFIC TYPES OF REQUIREMENTS

- ☐ For the following cognisance should also be taken of additional specific prescripts, rules and thresholds guiding specific circumstances and products:
 - ☐ E-commerce
 - ☐ Public Private Partnerships
 - ☐ Building, Engineering and Construction Works

15.1.1.1 E-COMMERCE

- ☐ The AO may not acquire new information technology support for the implementation of the new SCM function without consulting SITA.

15.1.1.2 PUBLIC PRIVATE PARTNERSHIPS

Refer to section 120 of the MFMA and relevant PPP Regulations

- ☐ The municipality shall ensure that the provisions of section 120 of the MFMA as well as the issued Regulations are complied with when goods or services are procured through public private partnerships or as part of a public private partnership.

15.1.1.3 BUILDING, ENGINEERING OR CONSTRUCTION WORKS

Refer to the CIDBA Act, Regulations and Standards

- ☐ The municipality shall ensure that, in the case of a bid relating to the construction industry, the relevant prescripts of the Construction Industry Development Board pertaining to bid documentation and general conditions of contract are taken into consideration additionally to the SCM Policy & Principles.

15.2 COMPILATION OF BID DOCUMENTS

BID DOCUMENTS FOR BIDS

Refer to SCM TR 15-21

2.1.1 The criteria to which bid documentation for a competitive bidding process must:

2.1.2 Take into account:

- *The general conditions of a contract and any special conditions of contract, if specified;*
- *Any treasury guidelines on bid documentation;*
- *The requirements of the CIDB, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure; and*
- *The Municipal Preferential Procurement Policy.*

2.1.3 *Include the preference point system to be used, goals as contemplated in the Preferential Procurement Regulations and Evaluation and Adjudication criteria; including any criteria required by other applicable legislation;*

2.1.4 *Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;*

2.1.5 *If the value of the transaction is expected to exceed R10 million (VAT included), require bidders to furnish:*

- *If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statements*
 - *For the past three years;*
 - *Since the establishment, if established during the past three years;*
- *A certificate signed by the bidder, certifying that the bidder has no undisputed commitments for municipal services towards a municipality or other service provider in respect of which payment is overdue for more than thirty (30) days;*
- *Particulars of any contract awarded to the bidder by the municipality during the past five (5) years, including particulars of any material non-compliance or dispute concerning the execution of such contract.*
- *A statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic; and*
- *Stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or when unsuccessful, in a South African Court of Law.*

LANGUAGE OF QUOTATION / BID DOCUMENTS

- ☐ The municipality shall compile all documentation in English.
- ☐ Bidding documents may be compiled in other languages as well, subject to stipulated circumstances.

CALLING FOR BIDS

- ☐ Bids must be invited by the SCMUs delegated by the AO.

ADVERTISING OF BIDS

Refer to SCM TR 22

- ☐ All bids must at least be advertised in the local media and, optionally, the Government Tender Bulletin,

where possible.

- ☐ The relevant media shall be considered to ensure that the target market is reached. Cost must be a consideration.
- ☐ Bids must be advertised for at least 14 days before closing time, except in urgent cases when bids may be advertised for such shorter period as the AO may determine.
- ☐ It is advised that no bids may be advertised or close between 15 December and 15 January as most firms are closed during this period and advantageous bids can therefore not be ensured. However, if circumstances requires otherwise, a submission for approval must be made to the AO or the delegated authority in this regard.

CLOSING TIME OF BIDS

- ☐ Closing time means the latest date and hour specified in the bid documents for the receipt of bids.
- ☐ Bids of the municipality close at **12:00** on the day indicated in the bid documents.
- ☐ The closing of bids must be strictly observed.

DETERMINING THE CLOSING PERIOD

- ☐ The normal closing period is between 14 to 21 days from the date of the publication of the invitation to bid.
- ☐ As a minimum requirement, where goods are to be imported, bids will close at least 5 weeks from the date of the publication.
- ☐ The principle of allowing bidders enough time to prepare comprehensive bids must be observed.
- ☐ Approval for the shortening or lengthening of the closing period must be obtained in accordance with the AO's delegated powers. Reasons for the deviation must be documented and fully motivated.
- ☐ Where a shorter period is involved, care must be taken that a reasonable time, normally not less than 14 days, is allowed for the preparation of the bidder's offer.

DETERMINING THE VALIDITY PERIOD

- ☐ The validity period should allow the municipality sufficient time to finalise the evaluation and award of the quotation/bid.
- ☐ Bids must be valid for at least 90 days from the closing date of the bid. A longer period may be set if problems with the evaluation is envisioned, but preferably not longer than 120 days. Approval is to be obtained within the AO's delegated powers. The extension should be for the minimum period required to complete the evaluation, obtain the necessary approvals and award the contract. In the case of fixed price contracts, requests for second and subsequent extensions should be permissible only if the request for extension can be provided subject to the same price, terms and conditions.
- ☐ An extension of validity must be requested in writing from all bidders before the expiry date.

AVAILABILITY OF BID DOCUMENTS

- ☐ Bid documents must be ready and available before the requirement is advertised.

- ☐ Bid documents may be collected by or may be e-mailed to prospective bidders.

SALE OF BID DOCUMENTS

- ☐ The municipality shall under normal circumstances not sell its bid documents, but make it electronically available free of charge.
- ☐ In the event that bid documents are printed for use, the costs thereof must cover actual preparation cost. The fees must be indicated in the Municipality's tariff book.
- ☐ The fee should not be so high as to discourage prospective bidders.

RESPONSES RECEIVED

- ☐ The municipality shall maintain a register/list of responses to the advertisement or the individuals/organisations targeted.
- ☐ The response list must contain the following information:
 - ☐ Bid number.
 - ☐ Name of the bidder who documents were issued to.
 - ☐ Name of the person/organisation that collected the bid on behalf of the bidder.
 - ☐ Name of the person/organisation on whose behalf the document is collected, the phone number, the fax number and contact person of the prospective bidder.
- ☐ The date and time the document was collected or the date the document was posted/e-mailed.
- ☐ The same particulars as mentioned above, where applicable, must also be collected where bid documents are requested by phone.
- ☐ Bidders should take note that if bidding documents are posted, it is not the responsibility of the municipality to ensure that the bidder receives the document on time in order to prepare a response.

ELEMENTS FOR INCLUSION IN BID DOCUMENTS

- ☐ The municipality's bid documents shall promote uniformity through standardised bid documents, where possible.
- ☐ Bid documentation including the general conditions of contract shall be in accordance with the instructions of National Treasury.
- ☐ Bidders shall all receive the same information in documentation and should be assured of an equal opportunity to obtain additional information on a timely basis to ensure fairness.
- ☐ Where feasible, promote subcontracting and joint ventures with SMME's.
- ☐ Bid documentation shall include evaluation and adjudication criteria, including the criteria prescribed in the PPPFA and the BBBEE Act.
- ☐ Clearly stipulate in bid documents that suppliers must submit valid BBBEE status level verification certificates or certified copies thereof with bids.

PRE-BID INFORMATION/SITE MEETINGS

- ☐ Minutes of the meeting should be provided to all prospective bidders.
- ☐ The user/line department is responsible for compiling the minutes and providing it to the SCMU within two (2) days after the meeting.
- ☐ Any additional information, minutes of meetings, clarification, correction of errors, or modifications of bid documents should be sent to each recipient of the original bid documents in sufficient time before the closing date and time for receipt of bids to enable bidders to take appropriate actions.
- ☐ The SCMU will communicate any additional information, minutes of meetings, clarifications, correction of errors, or modifications of bid documents to each recipient of the original bid documents.

CHANGING INFORMATION BEFORE CLOSING TIME

- ☐ It is preferable to cancel a bidding invitation and to invite fresh bids if conditions or the specifications or any other information have to be materially changed before the closing time or if mistakes are discovered in the documents before the closing time.
- ☐ In this regard also adhere to the provisions of the PPPFA Regulations where all bids received are above or below the stipulated preference scoring.

POSTPONEMENT OF CLOSING DATE

- ☐ The closing date may be postponed only if all prospective bidders can be advised of the postponed date in writing before the original closing date and in the case of an advertised bid invitation, the closing date may be postponed only if the postponed date can be timely advertised, before the original closing date.

15.3 RECEIPT AND OPENING OF BIDS

ANALYSIS OF PROCUREMENT REQUESTS

15.3.1.1 Receiving and opening procedures for quotations up to R2 000

Refer to SCM TR 23

- ☐ A fair and transparent process shall be followed for the closing, receiving, opening and processing of quotations and may be aligned with the petty cash SOP.

15.3.1.2 Written quotation above R2000 up to R30 000

- ☐ Quotations must be submitted in writing preferably by hand or per mail, but may also be faxed or e-mailed.
- ☐ Bid box procedures may be used where the circumstances so require.

15.3.1.3 Receiving and opening procedures for quotations above R30 000

- ☐ A fair and transparent process shall be followed for the closing, receiving, opening and processing of bids.

- ☐ A bid box shall be visibly provided on the premises of the municipality and shall be accessible from 7:30 – 16:30 Mondays to Fridays. The bid box will not be accessible during weekends and public holidays.
- ☐ A bid box shall always be locked, unless bids are collected in order to prevent unauthorized removal of bids.
- ☐ At least two delegated officials must be present during opening of bids on the date and precise time of closing as specified.
- ☐ At the precise closing time of the bid, the bid box is locked to prevent late submission of bids into the box where after all bids in the box are removed for processing.
- ☐ Information on bids received must be captured in a bid register.
- ☐ Bids shall be date stamped to indicate the date and time of receipt of bids.
- ☐ A special lockable office for the storing of bids must be available.
- ☐ A written quotation or bid may not be considered unless the provider who submitted the quotation or bid:
 - *Has furnished that providers:*
 - *Full name;*
 - *Identification number or company or other registration number;*
 - *Tax reference number and VAT registration number, if any;*
 - *Has authorised the municipality to obtain a tax clearance from SARS that the provider's tax matters are in order; and*
 - *Has indicated;*
 - *Whether he or she is in the service of the state, or has been in the service of the state in the previous 12 months;*
 - *If the provider is not a natural person, whether any of its directors, managers, principle shareholders or stakeholder is in the service of the state; or has been in the service of the state in the previous 12 months; or*
 - *Whether a spouse, child or parent of the provider or of a director, manager, shareholder or stakeholder is in the service of the state or has been in the service of the state in the previous 12 months.*
- ☐ The quotation/bid documentation pack will consist of the following:
 - *Covering letter, which should at least include the bid number, description of the requirement, name of the organization by which it is required and the closing date and time.*
 - *Standard bid documents that include, but are not limited to the following:*
 - *Invitation to Bid that is the bidders' consent if signed to enter into a contract under the conditions specified in the bid documents, should the offer be accepted.*
 - *Tax Clearance requirements.*
 - *Relevant pricing schedule.*
 - *Declaration of interest.*

- *Relevant BBBEE claim form.*
- *Specification/Terms of reference.*
- *Evaluation criteria.*
- *General conditions of contract.*
- *Special contract conditions.*
- *Copy of the formal contract or service level agreement (SLA) where applicable.*
- *Adjudication and evaluation criteria and scores.*

15.3.1.4 Admission of bids

- ☐ Bids received by facsimile transmitter, telegram, telex, e-mail or similar media do not meet the requirements and must be summarily rejected.
- ☐ Only original bid documents or certified photocopies of facsimiles, which are submitted in the prescribed manner and where all essential forms are originally **signed in ink** before submission, may be accepted as valid.
- ☐ Bidders shall be allowed to submit bids by mail or by hand into the bid box or at the physical address of the municipality (reception, over the counter at the SCMU as applicable) before the closing time of the bids.
- ☐ All bids will then be kept unopened in safe custody until the closing date and time of the bids.

15.3.1.5 Confidentiality

- ☐ After public opening of bids, information relating to the examination, clarification and evaluation of bids and recommendations concerning awards should not be disclosed to bidders or other persons not officially concerned with the process, until the successful bidder is notified of the award.

15.3.1.6 Bids received late

- ☐ Bids are late if they are received at the address indicated in the bid documents after closing date and time.
- ☐ Bids received late shall not be considered and shall be returned unopened to the bidder.
- ☐ Where no bid or no acceptable bid has been received, the bid has to be re-advertised.

15.4 EVALUATION AND ADJUDICATION OF BIDS

- ☐ All bids duly lodged shall be taken into consideration and evaluated.
- ☐ The municipality shall base its evaluation solely on an examination of the relevant statutory and/or predetermined evaluation criteria.
- ☐ Evaluation criteria shall promote the areas of finance (commerce), technical compliance/ability, functional requirements and preferential procurement.
- ☐ Members involved in the evaluation process shall be honest, fair, impartial, and transparent.
- ☐ Bid Evaluation Committee(s) should be familiar with and adhere to prescribed legislation, directives and

procedures in respect of SCM.

- ☐ No person should interfere with the SCM system of the municipality; or amend or tamper with any quotation/bid after its receipt.

REASONS FOR REJECTION

- ☐ The municipality must reject a proposal for the award of a contract if the recommended bidder has committed a proven corrupt or fraudulent act in competing for the particular contract.
- ☐ The municipality may disregard the bid of any bidder if that bidder, or any of its directors:
 - ☐ Have abused the SCM system of the municipality.
 - ☐ Have committed proven fraud or any other improper conduct in relation to such system.
 - ☐ Have failed to perform on any previous contract and the proof exists.
- ☐ Such actions must be communicated to the National Treasury.

SIGNING OF BIDS

- ☐ In order to avoid confusion regarding precisely what must be signed for a valid bid, the Invitation to Bid or photocopy thereof must be signed in ink.
- ☐ All declarations must also be duly completed and signed to qualify as valid claims.

AUTHORITY TO SIGN BID DOCUMENTS

- I.1.1 The Invitation to Bid must make provision for the signatory to indicate that he or she is duly authorised to sign the bid documentation. A duly authorised person must sign the bid document.

TAX CLEARANCE CERTIFICATES

Refer to SCM TR 43 and PPPFA Regulations, 2011

- ☐ As per SCM TR 43, the municipality must reject any bid from a supplier who fails to provide written proof from SARS that the supplier either has no outstanding tax obligations or has made arrangements to meet outstanding tax obligations. As proof that there are no outstanding tax obligations, a valid Tax Clearance Certificate must be submitted in the original.
- ☐ In all cases where the bidder did not submit the Certificate by the closing time, or the certificate is not in the original or not valid, the bidder must be afforded an opportunity and be requested to submit the Certificate within 14 days from the date of the request. Recommendations with regard to such matters must be submitted to the relevant evaluation and award structures.
- ☐ Where the municipality is in possession of a valid tax clearance certificate from a bidder, i.e. due to its previous application as member on the list of prospective suppliers, the SCM Unit must make a note to such effect on the bid.
- ☐ No contracts may, however, be awarded to bidders who have failed to submit the original Tax Clearance Certificate within the relevant period and they must be reported to SARS.

SUBMISSION AND SIGNING OF CERTIFICATES

- ☐ In all cases where the relevant preference claim form has to be submitted and a provider had the intention to claim must fill in the preference form as indication of wishing to claim preference, the bidder must also complete and/or sign the declaration.
- ☐ Recommendations with regard to incomplete claim forms must be submitted to the relevant Bid Evaluation Committee or relevant delegated authority

DECLARATION OF INTEREST

- ☐ A form for the declaration of a provider's position and interest must be included with the quotation/bid documents.
- ☐ An official who is involved in the evaluation and recommendation process, or who is in any way involved with the procurement process, shall also certify, as part of the recommendation that he/she complies with The Prevention and Combating of Corrupt Activities Act.
- ☐ All officials who can influence the award of a quotation/bid are seen as officials who are involved in the recommendation process.
- ☐ All officials who are involved in the decision making process must sign a similar affidavit.

PROVIDERS OWN CONDITIONS

- ☐ The conditions as contained in the quotation/bid documents enjoy precedence.
- ☐ All providers must accept these conditions.
- ☐ However, it sometimes happens that providers set their own conditions, which might be in conflict with the quotation/bid conditions. Such own conditions set by providers can be recommended for acceptance where it is in the interest of the municipality to do so and where the interests of other providers are not prejudiced.
- ☐ Where the providers' own conditions are not in the best interest of the municipality, the provider must be requested to withdraw his conditions.
- ☐ If providers are not prepared to withdraw unacceptable or conflicting conditions, reasons why such conditions must be accepted must be submitted to the relevant Bid Evaluation Committee for approval or alternatively the quotation/bid may be passed over.

EVALUATION AND AWARD FROM R30 000 AND UP TO R200 000

15.4.1.2 EVALUATION FROM R30 000 AND UP TO R200 000

- ☐ For quotations from R30 000 and up to R200 000, where the requirement is not technically complex and where there are no major risks involved, the delegated authority shall evaluate quotations received and submit a recommendation regarding the award of the quotations to the relevant manager.
- ☐ The evaluator and awarder should consist of different members to ensure that a transparent review of the evaluation is undertaken.

- ☐ Quotations are to be evaluated against the predetermined criteria in the quotation document. The criteria to be taken into account, are *inter alia*:
 - *Compliance with the legality and special conditions.*
 - *Specifications/terms of reference evaluation = functionality*
 - *Preferential procurement:*
 - *Price*
 - *Preference*
 - *Capability / ability of the bidder to execute the contract and other latent factors.*

15.4.1.3 AWARD STRUCTURES UP TO R200 000

Refer to SCM TR 26

- ☐ The delegated authority assesses if the specific procurement process followed, is in line with the approved policy and procedures, that the evaluation is fair and sound, the deal is acceptable and in the municipality's best interest, and then approves/rejects the recommendation.
- ☐ The function must be carried out in line with the award functions stipulated under the roles and responsibilities section.
- ☐ Any decision regarding the adjudication and award of a contract is final.

EVALUATION AND AWARD FOR PROCUREMENT ABOVE R200 000

15.4.1.4 BID EVALUATION COMMITTEE FOR PROCUREMENT ABOVE R200 000

- ☐ Above R200 000, a Bid Evaluation Committee shall evaluate bids received and submit a recommendation regarding the award of the bids to the Bid Adjudication Committee.
- ☐ Bids are to be evaluated against the predetermined criteria in the bid document. The criteria to be taken into account, are *inter alia*:
 - ☐ *Legal compliance and compliance with special conditions*
 - ☐ *Evaluation of specifications/terms of reference/functionality (within threshold values set).*
 - ☐ *Preferential procurement:*
 - (i) *Price*
 - (ii) *B-BBEE certificates*
 - ☐ *Latent factors or other additional objective factors:*
 - (i) *Capability/ability of the bidder to execute the contract.*
- ☐ National Industrial Participation Programme requirements.
- ☐ CIDBA requirements for infrastructure or construction procurement.

15.4.1.5 AWARD STRUCTURE ABOVE R200 000 ONLY BE DONE BY PERSONS NOT COMMITTEES

Refer to SCM TR 29

- ☐ The Bid Adjudication Committee shall consider and award the bids above the monetary value of R200

000 and up to R 10 million.

- ☐ The Bid Adjudication Committee shall consider and recommend the awarding of bids above the monetary value of R 10 million to the AO who will make the final award.
- ☐ The function must be carried out in line with the functions stipulated under the roles and responsibilities section.
- ☐ The Bid Adjudication Committee assesses if the specific procurement process followed, is in line with the approved policy and procedures, that the evaluation is fair and sound, the deal is acceptable and in the municipality's best interest, and then approves/rejects the recommendation or make an award or final recommendation to the AO for final award.
- ☐ Where the Bid Adjudication Committee finds that the recommendation is not correct or not in the municipality's best interest, the reasons for not supporting the review is:
 - ☐ *Firstly returned to the Bid Evaluation Committee for reconsideration, then*
 - ☐ *Submitted to the AO for final award.*
- ☐ Members of the Bid Evaluation Committee may present their reports to the Bid Adjudication Committee and clarify any uncertainties.
- ☐ The Bid Adjudication Committee and the AO has the power to amend or cancel concluded agreements if delivered goods and services do not conform to specifications.
- ☐ Any decision regarding the adjudication of a contract is final.

CONSIDERATION OF ADDITIONAL INFORMATION

- ☐ Information received after the closing date, may only be taken into consideration if it would not influence the original recommendation made, which must be based on the original information received from providers.
- ☐ During the consideration of quotations/bids, communication by the municipality with providers may take place only with the express prior approval of the relevant award structure.

CANCELLATION OF QUOTATIONS/BIDS

- ☐ Should it be determined through the evaluation process that no acceptable quotations/bids were received; a recommendation to cancel the quotation/bid must be submitted for approval as part of the evaluation report.
- ☐ The reasons why no acceptable quotations/bids were received by the closing date and time must be investigated before a decision is made what alternative process must be followed to satisfy the requirements.
- ☐ The requirement may be re-advertised / re-invited or a specific number of pre-identified service providers may be targeted.
- ☐ The evaluation report must contain the request for cancellation accompanied by the perceived reasons

determined through the investigation as well as a recommendation on the alternative process to be followed to satisfy the requirements.

- ☐ The relevant delegated authority shall approve all cases where quotations/bids:
 - *Are to be cancelled.*
 - *New quotations/bids are to be solicited because of the cancellation.*
 - *Negotiations with the preferred bidder are to take place to determine a reduction in the scope and/or a reallocation of risk and responsibility.*
 - *A substantial reduction in the scope or modification to the bidding documents may require re-bidding.*
- ☐ Where quotations/bids are to be cancelled all bidders must be informed in writing of the cancellation and the cancellation may be advertised in the Government Tender Bulletin.

DISCUSSIONS WITH BIDDERS

Refer to SCM TR 24

- ☐ Without the prior approval of the delegated authority no discussions may be conducted with any bidders regarding any aspect, which might in any way affect the prices, i.e. which may change the order in which quotes/bids will be ranked.
- ☐ Where such discussions are authorised, the delegated authority must ensure that the discussions take place at least at the middle management level and that the outcome of such discussions, must be placed on record in writing and comply with the provisions of SCM TR 24.

PREFERENTIAL PROCUREMENT

15.4.1.6 Preference point system

Refer to provisions of the PPPFA, its Regulations and the Municipal PPPFA Policy

- ☐ The application of preferential procurement and broad based black economic empowerment must be consistent with:
 - ☐ The Preferential Procurement Policy Framework Act and its Regulations.
 - ☐ The Broad Based Black Economic Empowerment Act.
- ☐ The municipality shall set itself a target that it wishes to achieve through preferential procurement, preferably through the adoption of a Municipal Preferential Procurement Policy as provided for in section 2 of the PPPFA.
- ☐ The municipality shall stipulate the preference point system in bid documents to be applied in adjudication.
- ☐ No system has to be applied in respect of acquisition with a Rand value of less than R30 000 per case.
- ☐ The relevant preference point formula as per the PPPFA must be used to calculate the points for price in

respect of acquisition with a Rand value equal to, or above R30 000.

- ☐ The maximum score must be allocated to the lowest priced acceptable bid/quote. Any other acceptable quotations/bids, which are higher in price, must score fewer points on a *pro rata* basis, calculated on their prices in relation to the lowest acceptable quotation/bid in accordance with a prescribed formula.
- ☐ The contract must be awarded to the bidder who scores the highest points unless objective criteria in addition to that pertaining to specific goals justify the award to another bidder.

15.4.1.7 Broad Based Black Economic Empowerment Status Level Certificate

- ☐ B-BBEE status level attained by bidder must be used to determine the number of points scored out of 10 or 20 by a bidder for B-BBEE contribution.

15.4.1.8 Local production and content

Refer to PPPFA Regulation 9(1), Municipal PPPFA policy and relevant NT and DTI circulars

- ☐ In the case of national designated sectors, where in the award of bids local production and content is of critical importance, such bids must be advertised with the specific bidding condition that only locally produced goods, services or works or locally manufactured goods, with stipulated minimum threshold for local production and content will be considered.
- ☐ Designated sectors have been identified as being:
 - *Textile, clothing, leather and footwear*
 - *Steel and power pylons*
 - *Rolling stocks*
 - *Canned/processed vegetables*
 - *Buses (bus body)*
- ☐ Specifications of stipulated minimum threshold percentages and requirements for local production and content must be provided for in the Municipal PPPFA Policy.
- ☐ The AO must stipulate in bid invitations that the exchange rate to be used for the calculation of local production and content must be the exchange rate published by the SARB at 12:00 on the date of advertisement of the bid.
- ☐ Only the South African Bureau of Standards approved technical specification number SATS 1286:2011 must be used to calculate local content.
- ☐ The AO must stipulate in the bid documentation that:
 - *The Declaration Certificate for Local Production and Content (MBD 6.2) together with the Annex C (Local Content Declaration: Summary Schedule) must be complete, duly signed and submitted by the bidder at the closing date and time of the bid; and*
 - *The rates of exchange quoted by the bidder 4.1 of the Declaration Certificate will be verified for accuracy.*

15.4.1.9 Application of preferences

- ☐ Preference calculations or decisions, made during evaluations, shall be clear and documented.
- ☐ When appointing consultants, the point's allocation for price may only be for price and not functionality, which should be clearly stipulated in the TOR. This is in adherence to the PPPFA Regulations that functionality should be separately evaluated and scored.
- ☐ If all bids received, exceed the estimated Rand value linked to the preference point system applied, the bid invitation must be cancelled and re-invited stating the correct preference point system.

VERIFYING PREFERENCES

SCM TR 43, PPPFA and PPPFA Regulations, 2011

- ☐ Verification is required whenever it is clear that the claimed preference is incorrect or when reasonable doubt exists that the bidder is entitled to the preference in any way at all.

AMENDMENT OF PRICES PRIOR TO LAPSE OF VALIDITY

- ☐ An amendment of a quoted price during the validity period is not allowed.

EXTENSION OF VALIDITY PERIOD

- ☐ Extension of validity must be finalised while the quotations/bids are still valid.
- ☐ If a bidder should reduce his quoted price as a result hereof, the reduction may be considered only if the provider would have been the successful contractor irrespective of the reduction. In other words the case is evaluated at the original quoted price and if successful, it is accepted at the reduced price.
- ☐ In cases where the quoted price is increased when the validity period expires and the quotation/bid concerned is either no longer recommended for acceptance or is recommended for acceptance at the higher price, the disadvantageous or incremental costs must be reported to the delegated authority.

NEW AND UNPROVEN PRODUCTS

- ☐ A bid may not be rejected summarily simply because the bidder or the product which he offers is unknown.

COUNTRY OF ORIGIN

- ☐ There is currently no embargo on the purchase of products from any foreign market, subject to the PPPFA provisions related to local content and the proudly South-Africa principles.

DEVIATIONS FROM SPECIFICATION

- ☐ Quotations/bids with acceptable deviations from specification may be recommended for acceptance,

provided that the competitiveness of another provider is not adversely affected and the deviation is not regarded as a material defect.

ALTERNATIVE OFFERS

- ☐ Regardless of whether the provider also submits offers conforming strictly to specification, alternative offers may be considered and accepted provided that the other providers are not prejudiced and alternative offers are not expressly excluded in the tender documentation.
- ☐ If the alternative offer does not meet the specification requirements, in that it is lower than the specified requirements and the deviations are acceptable, the other providers must be approached in cases where they might possibly be prejudiced, with a view to obtaining offers for the delivery of a product or service with the same or similar acceptable deviations.
- ☐ Such cases must be submitted to the relevant Bid Adjudication Committee for consideration and the relevant delegated authority for approval.

IMPROVEMENT OF SPECIFICATION

- ☐ A quotation/bid received which offers an improvement on the specification may be accepted provided that the other providers are not prejudiced.

EQUAL OFFERS

- ☐ If functionality is part of the evaluation process and two or more bidders have scored equal points including equal points for B-BBEE and price, the successful bidder must be the one scoring the highest score for functionality.
- ☐ In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specified B-BBEE.
- ☐ Should two or more offers still be equal in all respects, the award shall be decided by the drawing of lots in accordance with the delegated powers.
- ☐ Where bid prices for a portion of a series of sub-items are equal and it is necessary for these items to be obtained from the same bidder, then the lowest overall bid may be recommended for acceptance.

ADDITIONAL QUANTITIES

MFMA section 116 and NT MFMA CIRCULAR 62 of 2012

- ☐ Before an award has been made, additional quantities may be accepted up to the maximum of 20 % and if it does not affect the preference goal of 80/20 or 90/10.
- ☐ All providers concerned must be approached for offers for the larger quantities.
- ☐ Where the additional quantities are more than 20%, a fresh or a supplementary bid must be invited, unless the provisions of MFMA section 116 and NT MFMA Circular 62 of 2012 has been complied with.

SAMPLES

- ☐ Notwithstanding the requirement that samples must be submitted not later than the date and time specified in the bidding documents, samples may be received up to the time that they are required for evaluation. The recommendation of a bid must, however, not be delayed because a sample, which was received late, still has to be evaluated.

COMPARISON OF QUOTED PRICES

- ☐ The quoted prices of all items must be brought to a comparative basis, where applicable, by deducting preferences and other benefits, and adding implied contract price adjustments in the case of non-firm prices and delivery and other costs where applicable.

COMPARATIVE PRICES: BIDS FOR CONTRACTS WITH A DURATION OF MORE THAN ONE YEAR

- ☐ Where bids for contracts with a duration period of more than one year are received, comparative prices, where necessary, must be calculated on the basis of the discounted net present values of the various offers.
- ☐ A specific escalation rate determined by the market factors should form part of the bid.
- ☐ This rate will then be used to calculate the tariffs for each of the future years.

CONFIDENTIALITY

- ☐ After the public opening of bids, information relating to the evaluation process may not be disclosed to interested parties or other persons not officially concerned with the process, until the successful or preferred bidder is notified of the award.

SUBCONTRACTING AND JOINT VENTURES

- ☐ It is incumbent upon the municipality to take care that:
- ☐ Subcontractors and partners in joint ventures are engaged in fair and reasonable conditions of contract.
- ☐ Contractors who contravene the contract conditions potentially be designated as restricted persons.
- ☐ Secured payment options may only be considered where it can be justified.
- ☐ The municipality does not accept any liability for the services rendered or goods provided by sub-contractors.
- ☐ In the event that a bidder wishes to sub-contract more than 25% of the value of the contract, such bidder must adhere to the provisions of the PPPFA Regulations 11(8) and (9).
- ☐ Where bidders submit tenders as a Consortium or Joint Venture the contract that will guide the relationship must be attached to the tender documentation and a separate BBBEE –certificate for that specific Consortium or Joint Venture must be submitted

CLEARANCE OF PROVIDERS PRIOR TO THE AWARD OF A CONTRACT

15.4.1.10 RESTRICTED PERSONS

Refer to section 114 of the MFMA and SCM TR 29

- ☐ The municipality must check the National Treasury and CIDBA, where relevant, database prior to awarding any contract to ensure that no recommended bidder, nor any of its directors, is listed as companies, directors or persons prohibited from doing business with the public sector.
- ☐ This list of restricted persons is managed and maintained by the Office of the CPO within the National Treasury.

PART 16: ACQUISITION MANAGEMENT PROCESS

16.1 RANGE OF PROCUREMENT PROCESSES AND THRESHOLDS

Refer to SCM TR 12

- ☐ Promote the principles of being fair, equitable, transparent, competitive and cost-effective through all procurement processes.
- ☐ Subdivision of requirements to circumvent the Accounting Officer's delegated powers will not be tolerated.
- ☐ The Accounting Officer may, in writing:
 - ☐ Lower but not increase, the different threshold values
 - ☐ Direct that:
 - (i) *Petty cash processes be obtained for any specific procurement of a transaction value lower than R2000;*
 - (ii) *Written or verbal quotations be obtained for any specific procurement of a transaction value up to R30 000;*
 - (iii) *Formal written price quotations be obtained for any specific procurement of a transaction value between R30 000 – R 200 000; or*
 - (iv) *A competitive bidding process be followed for any specific procurement of a transaction value higher than R200 000.*

16.2 PETTY CASH TRANSACTIONS UP TO R2000 AND/OR A ORDERS

Refer to SCM TR 15 and order type procedures by requisition threshold wef 1 July 2014

- ☐ Within the petty cash monetary threshold, up to R2 000, satisfy the requirement according to the prescribed petty cash policy.
- ☐ The municipality shall ensure that a petty cash policy and procedures are in place.
- ☐ The petty cash policy must stipulate for which items and under which circumstances petty cash may not be utilized.
- ☐ The petty cash procedure may not be used for items available on contract.

16.3 INFORMAL QUOTES AND/OR B AND C ORDERS

Above R2 000 and less than R30 000

Refer to SCM TR 16 and order type procedures by requisition threshold wef 1 July 2014

- ☐ Requirements may be procured without inviting competitive bids or formal written quotations.
- ☐ Obtain at least 3 written quotations from the list of prospective providers, where applicable.
- ☐ Where no suitable providers are available from the list, quotations may be obtained from other possible providers not on the list.
- ☐ If it is not possible to obtain at least three quotations, the reason must be recorded and approved by the AO or the delegated authority.
- ☐ Place the order only against written confirmation from the selected provider.
- ☐ The municipality may apply the prescripts of the PPPFA for procurement in this category. This is however not compulsory.

16.4 FORMAL WRITTEN QUOTES AND OR R ORDERS

Above R 30 000 and less than R200 000

Refer to SCM TR 17& 18 and order type procedures by requisition threshold wef 1 July 2014

- ☐ Requirements may be procured by inviting written quotations from as many as possible providers on the prospective provider list.
- ☐ Where no suitable providers are available from the list, quotations may be obtained from other possible providers not on the list.
- ☐ If it is not possible to receive at least 3 quotations, the reasons should be recorded and approved by the CFO or the delegated authority.
- ☐ The AO must record the names of the potential providers and their written quotations.
- ☐ A designated official must within 3 days of the end of each month report to the CFO on any approvals given during that month by that official.
- ☐ The municipality may apply the prescripts of the PPPFA for procurement in this category. This is however not compulsory.

16.5 RANGE OF PROCUREMENT PROCESSES ABOVE R200 000

- ☐ A competitive bidding process shall be followed as far as possible.
- ☐ If, in a specific case it is impracticable to invite competitive bids, the municipality may procure the required goods or services by other means such as through deviations, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the Accounting Officer or delegated authority prior to the award and promptly reported to the SCM Unit.
- ☐ The municipality may include an open and transparent, competitive pre-qualification bidding process in which only pre-qualified organisations may participate.
- ☐ The prescripts of the PPPFA shall be adhered to.

- ☐ Subdivision of requirements to circumvent the AO's delegated powers will not be tolerated.

COMPETITIVE BIDDING

Refer to SCM TR 19-20

- ☐ Competitive open bidding shall be applied as first preference.
- ☐ Bids shall be advertised in appropriate media to reach the target market (*including the Government Tender Bulletin if appropriate*), should the AO or the delegated authority deem it necessary.

DEVIATIONS

SCM TR 36

- ☐ Deviations are only to be used if justification exists and the necessary approval has been obtained within the provisions of the Delegation Framework.
- ☐ The municipality will use deviations only in the following exceptional circumstances:
 - Where the municipality applied the competitive (open) bidding process, but the bids received were all non-responsive or not acceptable, thus the time required to go out on the same process has elapsed.
 - Where the municipality can buy under exceptionally advantageous conditions that only arise in the very short term.
 - In the event that a change of provider would compel the municipality to obtain spare parts or additional equipment or services that are not compatible or interchangeable with existing equipment or services that were obtained from an original provider.
 - The goods, services or works to be bought have to be designed by the provider.
 - When goods, services or works can only be supplied or rendered by a particular provider and no reasonable alternative or substitute exists.
 - There are legislative, technological or safety reasons to restrict purchases to providers who have proven their capability.
 - In cases of urgency.
 - In cases of emergency.
 - The provision of legal advice (firms of attorneys and Counsel).
 - Appropriate motivation that competitive bidding would be impractical.
- ☐ The reasons for employing deviations must be approved in writing by the AO or delegated authority prior to an award being made.
- ☐ The following will be deemed not to be deviations from the SCM processes:
 - Advertisements that are placed in the newspapers that is commonly circulated.
 - Advertisements that are placed in National Government and Provincial Government Gazettes.
 - The acquisition of services of attorneys, advocates and labour relations practitioners subject thereto

that the acquisition of such services be dealt with in terms of the Municipality's Delegation of Powers and Duties as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures.

- The acquisition of accommodation and air travel for official purposes subject thereto that the acquisition of such services be dealt with in terms of the Municipality's Payment of Travel and Subsistence for Councillors and Officials Policy as amended from time to time as well as in terms of the Municipality's Delegation of Powers and Duties as amended from time to time.
- The procurement of fuel from any recognised Fuel Company and their depots, except when fuel is procured for the Municipal Depot.
- Vehicles serviced by the agent in terms of the warranty or service plan of the vehicle and spares for vehicles.
- Strip and quote mechanical work and other specialized mechanical services.
- The acquisition of services of medical specialists as may be required from time to time and in terms of the Pension Funds Amendment Act, Act 65 of 2001, Occupational Health and Safety Act, Act 85 of 1993 and related regulations and amendments.
- The acquisition of services from a service provider that is a specialist in a specific and restricted field, as approved by the Accounting Officer or his/her delegate, whose services the municipality may require from time to time.

16.6 TRANSVERSAL BIDS

MSA 3 – co-operative governance and MSA 87-90- multi jurisdictional services

- ☐ Transversal bids will only be relevant when the municipality wishes to invite a tender/bid for itself and other municipalities or wishes to participate in a tender together with other municipalities or organs of state.
- ☐ This form of bidding is different than when participating in a tender invited by another organ of state as referred to in SCM TR 32.
- ☐ Council approval is required to participate in transversal bids.

16.7 DIRECT NEGOTIATION

MSA 78-process and Municipal Land Disposal Policy

- ☐ Direct negotiations shall only be permitted after approval by the AO and shall be conducted in such a manner that limits disadvantage or prejudice to other stakeholders. Care should be taken to ensure that such a process does not allow the bidder concerned an unreasonable unfair opportunity.
- ☐ Direct negotiations may only take place under the following circumstances:
 - In cases of urgency due to unforeseen circumstances where lack of planning or negligence did not play a role and where following the standard competitive bidding process or the process prescribed for urgency would not be in the municipality's best interest.

- Owing to a catastrophic event, there is an urgent need for the goods or services (an emergency), making it impractical to use other methods of procurement because of the time involved in using those methods.
 - In cases where preferred bidders were identified through a competitive bidding process.
 - In the case of competitive negotiation because of the technical character of the goods or construction, or because of the nature of the services, it is necessary for the procuring entity to negotiate with suppliers or service providers. Thus in the aforementioned case the first round of the two-stage bidding process has taken place where *inter alia* capacity and acceptability was established.
 - In the case where a Municipal Systems Act, section 78 process was followed.
 - In the case of an unsolicited bid process.
- ☐ The official that can contractually commit the municipality in this regard must lead the negotiation and must be supported by the user division and the SCMU.
 - ☐ The AO may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation does not lead to a higher price than the bid as submitted.

16.8 CONSULTANTS

Refer to SCM TR 35

- ☐ The municipality shall apply the National Treasury's instructions in respect of the appointment of consultants.
- ☐ Consultants should only be engaged when the necessary skills and/or resources to perform a project/duty/study are not available and the accounting officer/authority cannot be reasonably expected either to train or to recruit people in the time available.
- ☐ Consultant services cannot be dealt with in the same manner as general procurement, as this type of procurement contains specialised types of services, therefore specific procedures and processes should be adopted and put in place.
- ☐ These procedures and processes should be on a case-by-case basis depending on the nature and the type of consulting work under consideration.
- ☐ Take into account production of documents where copy right, patents/ownership is concerned when drafting documentation of this nature.
- ☐ In addition to any requirement prescribed by this policy for competitive bids, bidders must furnish particulars of:
 - ☐ All consultancy services provided to the municipality in the last 5 years
 - ☐ Any similar consultancy services provided to the municipality in the last 5 years
 - ☐ The work undertaken by a consultant should be regulated by a contract. The accounting officer/authority

is, however, responsible for monitoring and evaluating contractor performance and outputs against project specifications and targets and should take remedial action if performance is below standard.

- ☐ The particular method to be followed for the selection of consultants for any given project should be selected by the accounting officer/authority.

16.9 INFORMATION TECHNOLOGY

Refer to SCM TR 31

- ☐ The AO may request the State Information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.
- ☐ Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- ☐ The AO must notify SITA together with a motivation of the IT needs if:
 - The transaction value of IT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - The transaction value of contract to be procured whether for one or more years exceed R50 million (VAT included).
- ☐ If SITA comments on the submission and the municipality disagrees with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant Provincial Treasury and the Auditor-General.

16.10 BANKING SERVICES

Refer to SCM TR 30

- ☐ A contract for banking services:
 - Must be procured through competitive bids;
 - Must be consistent with section 7 or 85 of the MFMA and
 - May not be for a period of more than 5 years at a time.
- ☐ The process for procuring a contract for banking services must commence at least 9 months before the end of an existing contract.
- ☐ The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper. Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act 94 of 1990).

16.11 GOODS NECESSITATING SPECIAL SAFETY ARRANGEMENTS

Refer to SCM TR 33

- ☐ The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gasses and fuel, should be avoided where ever possible.

- ☐ Where the storage of goods in bulk are justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer.

16.12 PROCUREMENT FROM ABROAD

- ☐ The municipality may procure from abroad if it can be certified in writing that:
 - The product/service cannot be sourced locally or through local representatives and that no other similar product will serve the purpose.
 - That a local sourcing process has been run without any success.
 - The prices of the locally available supply/service are exorbitant.
- ☐ For procurement outside the boundaries of South Africa, the same process is followed as for the procurement within South Africa, except for the following:
 - ☐ Determining international advertising mechanisms.
 - ☐ Determining the utilisation of conditions applicable to foreign countries, such as Inco terms, if required.
 - ☐ Determining if the price should be indicated in foreign currency, and if so, which currency.
 - ☐ The estimated cost in foreign currency plus conversion factors.
- ☐ The forward cover risk must as far as feasible, be carried by the selected supplier.

16.13 ORGANS OF STATE

Refer to MFMA section 110(2) and SCM TR 32

- ☐ The AO may procure goods and services for the municipality under a contract secured by another organ of state, but only if:
 - The contract was secured by that other organ of state by means of competitive bidding process applicable to that organ of state.
 - The municipality has no reason to believe that such contract was not validly procured.
 - There are demonstrable discounts or benefits for the municipality to do so.
 - That the other organ of state and the provider have consented to such procurement in writing, prior to the award.
- ☐ However, the above do not apply if a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- ☐ The SCMU must facilitate the process, through the application of an adopted SOP.

16.14 ROSTER

- ☐ A roster system may be applied for a list of pre-approved suppliers, subject to the development and adoption of a Roster System Policy containing the following:
 - Roster scope for Professional Service Providers and consultants.

- Registration of service providers.
- Qualification to be registered on the Roster System database.
- Sequencing and ranking of service providers on the Roster System database.
- Selection of a service provider on the Roster System database.
- Appointment of a service provider.
- Roster System computer based.

16.15 EMERGENCY

- ☐ Irrespective of monetary value, an emergency procurement process will only apply in serious, unexpected and potentially dangerous circumstances which require immediate rectification:
 - ☐ In the event of a threat or interruption in the municipality's ability to execute its mandate or render its services.
 - ☐ In the event of an immediate threat to the environment or human safety.
- ☐ The standard procurement processes will be bypassed. The municipality may dispense with the invitation of bids and may obtain the requirement by means of quotations by preferably making use of the list of prospective providers or otherwise in any manner to the best interest of the municipality.
- ☐ The appropriate course of action for emergency shall be justifiable under the circumstances.
- ☐ The nature of the emergency and the details of the justifiable procurement process followed will be recorded and reported.

16.16 UNSOLICITED BIDS

Refer to section 113 of the MFMA and SCM TR 37

- ☐ The municipality is not obliged to consider unsolicited bids received outside a normal bidding process.
- ☐ If the Accounting Officer decides to consider an unsolicited quotation/bid, he or she may do so only if:
 - ☐ *It is in compliance with section 113 of the MFMA and SCM TR 37.*
 - ☐ *The product or service offered in terms of the quote/bid is a unique innovative concept that will be exceptionally beneficial to, or have exceptional cost advantages for the municipality.*
 - ☐ *The person who made the offer is the sole provider of the product or service.*
- ☐ The need for the product or service by the municipality has been established during its strategic planning and budgeting processes.

16.17 SPONSORSHIPS

Refer to SCM TR 48

- ☐ The Municipal Grant-in-Aid Policy guides the management of sponsorships as it provides for the opportunity for developing methods of joint funding strategies with outside agencies such as matching funding or sponsorship partnerships to meet the objectives of a developmental local government.
- ☐ Reporting to the Provincial Treasury and National Treasury must promptly be executed as per TR 48.

The principles guiding the Grant-in-Aid Policy are to:

- ☐ Promote fairness, equitability and transparency in the process of granting aid funding.
- ☐ Support the poor, aged, youth, disabled and women.
- ☐ Promote sustainable solutions to serve the poor, marginalized or otherwise vulnerable.
- ☐ Identify and develop sustainable matching funding or sponsorship partnerships to meet the objectives of a developmental local government.

PART 17: CONTRACTUAL COMMITMENTS

17.1 CONCLUSION OF CONTRACTS

Refer to section 116 of the MFMA and SCM TR 51

- ☐ The SCM Unit must finalize the adjudication by issuing the letter of acceptance.
- ☐ The acceptance of a successful bid must be in writing and must be sent by registered/certified mail or as indicated in a special condition, the principle being that there must be a mechanism of proof of delivery.
- ☐ The official with the necessary delegated authority to commit the municipality, must be satisfied that all the necessary contractual conditions have been included prior to signing.
- ☐ The municipality's contract documents shall promote uniformity across the entity.
- ☐ Both parties to the contract shall sign the contract form or formal contract.
- ☐ Legal copies shall be kept in a safe place for judicial reference.

17.2 FORMAL CONTRACTS

- ☐ Where possible, the formal contract template must form part of the quotation/bid documents.
- ☐ Formal contracts are concluded only where this is stated as a requirement in the quotation/bid document.
- ☐ If a formal contract is concluded, an order must still be placed with the successful provider.

17.3 SERVICE LEVEL AGREEMENTS

- ☐ A service level agreement (SLA) may be compiled and signed if required.

17.4 TIME OF CONCLUSION

- ☐ The contract is concluded at the time that the letter of acceptance is posted even if the contract form and formal contract is only signed at a later date, unless stated otherwise in the quotation/bid documents.

PART 18: CONTRACT MANAGEMENT

18.1 GENERAL RESPONSIBILITIES

Refer to section 65(2) and 116 of the MFMA as well as MFMA circular 62/2012

- ☐ The relevant user division takes responsibility for day-to-day management and monitoring of a contract in line with the contractual conditions.

18.2 MANAGING AND ADMINISTRATING THE CONTRACT

- ☐ The SCMU shall ensure that all reasonable steps are taken to properly enforce a contract.

18.3 CORRECTION OF INCORRECT ACCEPTANCE

- ☐ Mistakes in the letter of acceptance, contract form and/or formal contract must be reported immediately to the SCMU.
- ☐ Every effort must be made without delay to recover the original letter of acceptance, contract form and/or formal contract from the contractor.
- ☐ Where it is not possible to recover the original, all particulars of the incorrect acceptance must be reported to the AO or delegated authority together with a recommendation regarding the corrective steps that are envisaged.

18.4 PLACING ORDERS

- ☐ Placing orders is the sole responsibility of the SCMU when properly capacitated.
- ☐ Orders are to be placed in accordance with the contract and in accordance with the instructions of the financial policy.

18.5 PLACING ORDERS NEAR THE END OF THE CONTRACT PERIOD

- ☐ Placing orders near the end of the financial year (May – June) in order to spend unused funds in the budgets are not allowed.
- ☐ The obtaining of requirements must be restricted to what is absolutely necessary.

18.6 CONTRACT MONITORING

- ☐ Constant monitoring is essential to ensure that contractual obligations are met and that contracts run with as little disruption as possible.
- ☐ The SCMU is responsible for notifying the user division timely of term contract expiry that will allow the user division sufficient time to decide whether to renew the contract.
- ☐ The user division must ensure that the contractor performs according to the stipulations of the contract in delivering the goods or services on time, in the correct quantity and to the required standard and implement retention provisions where applicable.
- ☐ Regular meetings with contractors to discuss progress, deliverables, foreseeable problems and/or amendments must be held during the contract period.

18.7 NON-CONTRACTUAL PURCHASES

- ☐ Small quantities of supplies or minor services may be procured outside of the contract in the following circumstances:
 - ☐ In cases of emergency; or
 - ☐ When the contractor's point of supply is not situated at or near the place where the supply or service is required; or
 - ☐ If the contractor's supplies or services are not readily available; or
 - ☐ As per the municipal social relief policy.
- ☐ Purchases outside the contract must be restricted to requirements that are absolutely necessary to satisfy the immediate requirement and the action must always be justifiable against the contract conditions.
- ☐ Acquisition procedures must in all instances be followed when procuring outside of existing contracts.

18.8 PAYMENTS

MFMA section 65(2)

- ☐ Under normal circumstances payment is made for supplies in accordance with the contract conditions only after they have been delivered and, where applicable, installed, in good working order, within 30 days or such timeframe as contractually agreed.

18.9 OVER/UNDER DELIVERIES

- ☐ Over- or under-deliveries may be accepted in accordance with the AO's delegated powers

18.10 DISCOUNT ON INVOICES

- ☐ In cases where a discount is not a contract condition and a contractor indicates a discount on his invoice, this discount must be utilized if possible, for instance by making payment within the time limit specified on the invoice. However, orders must at all times be placed in accordance with the contract conditions, i.e. non-contractual discounts must not be taken into consideration when placing orders.

18.11 INSOLVENCY, LIQUIDATION, DEATH, SEQUESTRATION OR JUDICIAL MANAGEMENT OF CONTRACTORS

- ☐ In terms of paragraph 26 of the GCC, the municipality has certain options, which it may exercise in the case of insolvency.
- ☐ The risk to the municipality is the determining factor and the choice with the smallest degree of risk is preferred.

18.12 TRANSFER OF CESSION OF CONTRACTS

- ☐ The contractual conditions should stipulate the conditions under which transfers/cessions shall be

considered and the process to be followed in such circumstance.

18.13 TRANSFER OF CONTRACT PAYMENTS

- ☐ Transfer of payments may be considered in cases where a contractor makes application on an official letter signed by the CEO, or any other authorized person, for monies due to the contractor, to be paid to another person or organization, such as a bank or supplier of materials.
- ☐ Contract payments may be transferred on the recommendation of the municipality and with the relevant Accounting Officer's or delegated authority's approval only.
- ☐ Written confirmation must be obtained from the contractor as requests for transfer of payment received from another person or organization cannot be considered favourably.
- ☐ Every application must be dealt with on its own merits. Favourable consideration will result only where it is not to the detriment of the municipality and will not result in an undue administrative burden for the municipality.

18.14 CONTRACT VARIATIONS / AMENDMENTS

Refer to MFMA section 116 and MFMA circular 62 of 2012

- ☐ Contracts may be amended/varied/modified according to the AO's delegated powers to achieve the original objective of the contract.
- ☐ Amendments may not materially alter the original objective; as such amendments should form part of a new bid invitation.
- ☐ All contractual parties must agree to the amendment in writing.
- ☐ No contract can be amended after the original contract has ceased to exist.
- ☐ The extension of a contract shall be finalised before the current expiry date of the contract.
- ☐ Where prices are amended for the extended period, the reasonableness of the prices must be established.

(a) EXTENSION OF DELIVERY PERIODS

- ☐ Delivery periods may be extended according to the AO's delegated powers.

(b) AMENDMENT OF CONTRACT CONDITIONS

- ☐ Amendments may be considered on their merits bearing in mind the best interest of the municipality.
- ☐ Amendments, which prejudice the municipality, can be agreed to only with the approval of the relevant delegated authority on recommendation of the Bid Adjudication Committee.

(c) AMENDMENT OF SPECIFICATIONS

- ☐ Where a binding contract has been concluded, an amendment of the specification whether initiated by

the contractor or by the municipality, can be made only after negotiation between the contractor and the municipality and through the facilitation of the SCMU.

(d) CONTRACTUAL PRICE ADJUSTMENTS

- ☐ The contractual conditions shall stipulate the circumstances under which price adjustments shall be considered, the intervals for adjustment, the base date for adjustments as well as the price adjustment formula and the process to be followed in such circumstances.
- ☐ In cases of term contracts, price adjustments shall be considered on a quarterly basis and this condition shall be indicated in the bid document.
- ☐ No price adjustments should preferably be considered for a contract period less than twelve (12) months.
- ☐ The prescribed formula will be used for adjustment of prices due to the fluctuation of the indices.
- ☐ Indices compiled by Statistics South Africa will be used for price adjustments.
- ☐ Rate of Exchange (ROE) fluctuations are only allowed on the imported content of the commodity.

(e) NON-CONTRACTUAL ADJUSTMENT OF PRICES

- ☐ Non-contractual adjustment of prices is normally not allowed.

(f) REDUCTION OF PRICES

- ☐ The municipality must accept price reductions after award of a contract where this is advantageous to the municipality, unless the acceptance of the price reduction amounts to breach of contract.

18.15 UNSATISFACTORY PERFORMANCE AND CONTRACT TERMINATION

- ☐ The municipality should continuously communicate unsatisfactory performance to contractors in writing compelling the contractor to perform according to the contract and thus to rectify or to restrain from unacceptable actions.

18.16 RESTRICTION

Refer to MFMA section 112 (1)(m&n) and SCM TR 43 & 44

- ☐ The municipality may in terms of SCM TR 43 & 44.
 - ☐ Disregard the bid of any bidder if that bidder, or any of its directors-
 - Have abused the municipality's SCM system;
 - Have committed fraud or any other improper conduct in relation to such system; or
 - Have failed to perform on any previous contract; and

- ☐ Must inform the relevant Treasury of any action taken in terms of the aforementioned paragraph.
- ☐ Irrespective of the procurement process followed, no award may be made to a person:
 - ☐ Who is in the service of the state;
 - ☐ If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
 - ☐ A person who is an advisor or consultant contracted with the municipality
- ☐ The Accounting Officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2000 to a person who is a spouse, child or parent of a person in the service of the state, or has been in the service of the state in the previous 12 months, including:
 - ☐ The name of that person;
 - ☐ The capacity in which that person is in the service of the state;
 - ☐ The amount of the award.

18.17 CONTRACT TERMINATION

- ☐ The municipality must cancel a contract awarded to a supplier of goods or services:
 - If the supplier committed any proven corrupt or fraudulent act during the bidding process or the execution of that contract.
 - If any official or other role player committed any proven corrupt or fraudulent act during the bidding process or the execution of that contract that benefited the supplier.
- ☐ Termination of a contract may be considered for a variety of reasons, as stipulated in paragraphs 21.6, 23 and 26 of the GCC, such as delayed deliveries, failing to perform any other contractual obligation or if the supplier has engaged in corrupt and fraudulent practices and insolvency.
- ☐ Contract termination may be effected if allowed for in the contractual conditions and if both parties agree to the termination in writing.

18.18 CONTRACTS REPORTING QUESTIONNAIRE: NATIONAL TREASURY

- ☐ The municipality shall submit reports to National Treasury in respect of each contract concluded during that month within 15 days of the end of each month to enable the Minister of Finance to report to Cabinet and Parliament on progress made.

PART 19: LOGISTICS MANAGEMENT

19.1 GENERAL

Refer to section 39 of the MFMA

- ☐ The primary function of a store is the receiving, storing, preserving as well as the issuing of store items.
- ☐ It is essential that equipment or stock be stored in such a way that the possibility of loss, damage,

exposure, deterioration or perishing thereof is minimized or eliminated completely. By lack of a physical store, the function must still be performed.

- ☐ Duplicate keys of all lockers, cabinets, padlocks and other storage areas should be readily available and shall be controlled by a responsible delegated official.

19.2 INVENTORY MANAGEMENT

- ☐ In cases where storage space is very expensive or not available, the just-in-time delivery principle must be used.
- ☐ Minimum and maximum order levels for all store items shall be determined based on the usage, the lead and delivery times.

REQUISITION

- ☐ Stock items must be systematically replenished using the re-order point planning strategy in conjunction with minimum and maximum levels.
- ☐ Procurement processes may differ between goods and services and in some cases a process for emergency procurement may be necessary.

PLACING OF ORDERS

- ☐ Purchase orders must be in reference to the requisitions where the supply source is either –
 - ☐ *Contract; or*
 - ☐ *Quotations.*
- ☐ Purchase orders for imported goods and which are subjected to rate and exchange adjustments must specify that the vendor must take out a forward exchange contract in order to fix the Rand based price in the purchase order.

RECEIVING GOODS

- ☐ Goods are received on the logistical system with reference to purchase orders.

RETURNING GOODS

- ☐ Manage the return of goods and related third party claims.

WAREHOUSE MANAGEMENT

- ☐ Warehousing must be provided for and located in areas appropriate to where depots are situated.
- ☐ The Supply Chain must ensure for:-
 - ☐ Proper financial and budgetary control.
 - ☐ Uphold the principle of effective administration.
 - ☐ Proper stock holding and control.
 - ☐ Product standardization.
 - ☐ Quality of products.
 - ☐ A high standard of service levels.

MATCHING DOCUMENTS

- ☐ Manage the payment voucher matching process.

PREPARATION FOR PAYMENT / ACCOUNTS PAYABLE

- ☐ After documented records were received, the payment process can be initiated as prescribed through the MFMA processes and delegations

19.3 INVENTORY STOCK COUNT, VERIFICATION AND RECONCILIATION (INCLUDING ICN MANAGEMENT)

STOCK COUNT AND VERIFICATION PROCEDURES

19.3.1.1 PLANNING PHASE

SCM TR 39

- ☐ Most important part when undertaking an inventory stock count is the planning phase. The phase must set out all the steps to be taken securing the accurate count and verification is undertaken.
- ☐ Stock count should at least be done once in a financial year but could also be done on a monthly basis.

RECONCILIATION PROCEDURES

- ☐ The reconciliation process commences once the count and verification phase has been completed and complete count reports are available from Stock Take Team (Refer to above paragraphs 21.3.1.3).
- ☐ The control report must be printed and compared with the count report.
- ☐ Discrepancies must be listed from above mentioned process.

19.3.1.2 TREATMENT OF DISCREPANCIES

- ☐ Discrepancies are the result of shortages and or surplus stock found not equal to the quantity that appears on the control report.

PART 20: ASSET MANAGEMENT

20.1 RESPONSIBILITIES FOR ASSET MANAGEMENT

Refer to Section 63 and 96 of the MFMA and SCM TR 39

- ☐ The AO of a municipality is responsible for the management of the assets of the entity, including the safeguarding and maintenance of those assets.
- ☐ The AO must take all reasonable steps to ensure that the entity has and maintains—
 - A management, accounting and information system that accounts for proper assets and liabilities of the management systems of the municipal entity; and

- A system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

PART 21:INVENTORY DISPOSAL

SCM TR 40

- ☐ The selling of items must at all times be done in a fair / competitive and scrupulous manner.
- ☐ Notice of the selling of assets must be given at least 14 days prior to the actual selling date and all possible buyers must be informed.
- ☐ Assets can be sold in one of the following categories-:
 - ☐ As a lot.
 - ☐ As an individual item.
 - ☐ As scrap.
- ☐ In all cases, lot numbers must be allocated to each lot/item and a date and time must be stipulated on the notice of selling as to when potential buyers can view the items up for selling.
- ☐ The notice of selling must contain the following information:
 - ☐ Closing time and date for bids.
 - ☐ Date and time and place when and where the items can be viewed by potential buyers.
 - ☐ The condition of sale.
- ☐ Only officials who had been authorized in writing are allowed to handle government revenue.

PART 22: RISK MANAGMENT

22.1 RESPONSIBILITY FOR RISK MANAGEMENT

Refer to SCM TR 41

- ☐ The AO shall ensure that the municipality has and maintains an effective system of risk management for the identification, consideration and avoidance of potential risks in the SCM system.
- ☐ Aspects of risk management shall be allocated to the CFO, the SCM practitioners, the internal audit

function and the Audit Committee, each of which shall ultimately be accountable to the AO for the discharge of their responsibilities.

22.2 APPLICATION OF RISK MANAGEMENT IN SCM

- ☐ The Municipality shall, where applicable, apply Treasury Guidelines on Risk Management.
- ☐ The Accounting Officer or delegated authority shall determine the municipality's risk appetite.
- ☐ Risks shall be identified upfront on a case-by-case basis.
- ☐ Risks shall be allocated to the party best able to manage such risk.
- ☐ The municipality must bear the cost of risks where the cost of transferring risk is greater than that of retaining such risk and it must transfer the risk where this is not the case.

PART 23: SCM PERFORMANCE REVIEW

SCM TR 42

23.1 ASSESSMENT/MEASUREMENT OF SUPPLY CHAIN PERFORMANCE POLICY

- ☐ The municipality shall measure and monitor the POLICY & PRINCIPLES and process through a performance measurement system to ascertain whether government's objectives and targets set have been achieved. In this regard complete records pertaining to SCM will be kept.
- ☐ The municipality shall monitor and assess the performance of all contractors during the contract period.